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# ARAB TIMES

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## British diplomat arrives in Iran

NICOSIA, Aug. 12. (Reuters): The first British diplomat to visit Iran for a year arrived in Tehran today, the Iranian news agency IRNA reported.

IRNA said David Reddaway, 35, a fluent Farsi speaker who served in Iran from 1977 to 1980 and has an Iranian-born wife, arrived for talks on Anglo-Iranian relations with Iranian officials.

Reddaway is the first British diplomat to visit the Islamic Republic since last August when relations between the two countries strained over the unlawful arrest of an Iranian diplomat in Manchester sparked lit-for-lit actions by the two sides, IRNA said.

The arrest of the Iranian diplomat accused of shoplifting was followed by the beating of a British diplomat in Tehran.

Britain withdrew all its diplomats from the British interests section of the Swedish embassy — it closed its Tehran mission in 1980 — and Iran reduced its staff in London to a charge d'affaires.

"The climate of relations worsened following the London government's support for Washington's naval presence in the Gulf," IRNA added.

The decision to send Reddaway, a middle-ranking diplomat, follows Iran's acceptance of United Nations Resolution 598 ordering a ceasefire in the eight-year-old Gulf war with Iraq and a promise to stop attacking ships in the Gulf.

Before leaving London Reddaway said he hoped to make progress in securing the release of Western hostages held in Lebanon, including Church of England envoy Terry Waite.

Reddaway is expected to remain in Iran for two to three weeks.

## Security Council names ceasefire chief

# Iran accused of shelling Iraqi military positions

UNITED NATIONS, Aug. 12. (Agencies): Iraq accused Iran of bombarding Iraqi military positions with hundreds of shells and missiles, a day after Iran complained that Baghdad's warplanes violated Iranian airspace. Iran today denied that it bombarded Iraqi positions.

A spokesman for the war information headquarters in Tehran called Iraq's shelling claims "false propaganda" the official Islamic Republic News Agency reported.

A fragile, unofficial truce had been in place since Monday, when UN Secretary-General Javier Perez de Cuellar announced that Iran and Iraq agreed to observe a ceasefire to begin on Aug. 20. Face-to-face talks were scheduled to begin five days later in Geneva.

### Offensives

The Iranian armed forces bombarded Iraqi military positions around Basra with hundreds of mortar and missile shells and dozens of small missiles on Wednesday and Thursday, the Iraqi mission said in a one-page statement released on Wednesday.

It said Iran also bombarded Iraqi positions near the Faw peninsula, site of some of the war's most ferocious offensives.

In a related development, the Security Council, yesterday approved the choice of Yugoslavian Gen. Slavko Tomic, 58, as head of the UN-Iraq-Iran military observer group. The UN group is sending 350 officers from 24 countries to monitor the planned ceasefire.

Gen. Slavko Tomic would shuttle between Baghdad and Tehran as he carries out his duties in leading the 24-nation force, said UN spokesman Francois Guillaud.

He also said Switzerland has agreed to donate a Jetstar-31 aircraft to the force.

Several members of the UN-Iraq-Iran military observer group have already arrived in Tehran and Baghdad, and the rest were expected by Wednesday.

On Wednesday night, Iranian Ambassador Mohammad Ja'afar Maballati protested to Perez de Cuellar that Iraqi warplanes had buzzed five Iranian cities.

The Iraqi mission's letter yesterday said that in addition to the shelling in the south, an Iranian tank fired two missiles at Iraqi positions in the "northern sector."

The main attack on Basra involved 214 bowitzer projectiles, 205 mortar shells and 32 small missiles, the letter said.

The Faw bombardment involved 26 howitzer projectiles, 32 mortar shells and 16 small missiles, it said. Iran also fired three bowitzer and 11 mortar

shells at other Iraqi positions in the sector, it said.

Basra and the Faw peninsula both are near the Shatt Al-Arab waterway, the southern border between Iran and Iraq. The disputed waterway, which leads into the Gulf, is Iraq's only sea outlet.

Perez de Cuellar met later yesterday with Iraqi Ambassador Ismat Kittani at the ambassador's request.

Afterwards Kittani was asked whether he delivered a note of protest to the secretary general. "You assume wrongly. ... I think our aim is to register with the UN a document of facts," Kittani said. He added that he thought the official ceasefire would take place as planned on Aug. 20.

In Baghdad, Iranian anti-government guerrillas of the National Liberation Army of Iran announced they have released 1,300 prisoners-of-war captured during operations inside Iran.

The anti-government rebels of the NLA said in a telex to the Associated Press in Cyprus that the prisoners-of-war were released on the orders of Masoud Rajavi, leader of the People's Mujahadeen.

Several ships have anchored in the Gulf to wait for passing US warships after shelling reported on the Iran-Iraq warfront raised new fears of a waterway attack, shippers in the region said today.

"We can't forget the past two years. You cannot wipe out all that happened with the (Iran-Iraq) ceasefire accord," one said. "Some of the captives do not want to take chances."

Also today, a United Nations fact-finding team arrived in Tehran to investigate allegations of Iraq's renewed use of chemical weapons.

### Experts

The Iranian news agency said the four-member team of chemical weapons experts would travel to the northwestern Kurdish town of Oshnaviyeh.

A UN source in Beirut said today that some officers of the 76-member United Nations observer team in south Lebanon would join the Gulf war ceasefire group.

The source, speaking on condition of not being identified, said 10 per cent of the UN-Iraq-Iran military observer group's 350 personnel "will be transferred from south Lebanon." He said the vacancies in the Lebanon group would be filled.

Morocco pledged yesterday to donate \$2 million to help set up the Gulf war ceasefire force. In April, Japan pledged \$20 million for peacekeeping projects, half for the Gulf peace effort and half for Afghanistan.

The force will cost \$74 million over six months. The General Assembly is reconvening on

(Continued on Page 2)

## UN urged to negotiate release of Egyptians

BAHRAIN, Aug. 12. (Reuters): Egypt asked the United Nations and Iraq to negotiate the release of several thousand Egyptians held by Iran as prisoners of war, Arab diplomats said today.

"This is a vital issue (for Egypt) which we always bring up," a senior Egyptian official in the region said.

He said Cairo had officially asked Baghdad, UN Secretary-General Javier Perez de Cuellar and the International Red Cross to raise the issue at peace talks between Iraq and Iran.

The talks on ending the eight-year war are due to start in Geneva on August 25, five days after a ceasefire takes effect.

"The United Nations ceasefire Resolution 598 includes a section on exchanging prisoners of war and these men are prisoners just like the Iraqis," the Egyptian official said.

Egypt said Iran holds a few

thousand Egyptian prisoners, but no official figure is available.

In Cairo, the semi-official Al-Ahram newspaper quoted an Iranian official at the United Nations as saying Tehran had told Perez de Cuellar that Tehran was willing to facilitate the handover of the Egyptians.

Egypt has no diplomatic ties with Iran, which it has accused of financing anti-government extremist Muslim groups. It has also said that Tehran has not responded to Cairo's requests for information on the Egyptian prisoners.

About 1.5 million Egyptians work in Iraq and several thousand of them volunteered to fight on Baghdad's side in the war against non-Arab Iran.

Egyptian Defence Minister Abdel-Halim Abu Ghazala has repeatedly said that all Egyptians fighting for Iraq were volunteers and some had taken Iraqi citizenship.



National Liberation Army of Iran released 1300 PoWs yesterday.

(Reuters wirephoto)

## Air fare hike expected

A NEW set of air fares is expected to be introduced in Kuwait next year, according to Dawood Boursli of Higher Council for Civil Aviation.

He implied that travelling from Kuwait would be more expensive than it is now but the hike up in air fares would not be as high as the 35 per cent increase agreed between travel agents and airlines early this year.

### Suspended

The agreement was suspended by the Civil Aviation Authority in March because the airlines and travel agents failed to obtain the Authority's endorsement.

The fares proposed by the agreement spurred numerous complaints from the public. Boursli said a special committee had been appointed to study the market and propose new fares which he contended would be "reasonable."

### Sympathy

Boursli had little sympathy for travel agents who complained that suspension of air fares agreed with the airlines brought them to the verge of bankruptcy.

He added that the public had lodged frequent complaints about the performance of travel agencies accusing them of cheating.

In an attempt to clear the market from unlicensed travel agents the Civil Aviation Directorate closed down 80 travel agencies last year and 39 this year, Boursli said.

Not a single unlicensed travel agent is currently operating in Kuwait, he added.

He said that the present chairman of Travel Agents' Union is one of the violators and added that the Civil Aviation Directorate had appealed to the Ministry of Commerce to take action against him.

Algeria's view of the alternative option for liberation of the Israeli-occupied Arab territories were summed up by Mesa Diya as military resistance or "political resistance" until the military power slanted away from Israel and the forces supporting it.

Since declaring an Arab strategic war against Israel is "impossible," then Algeria believes that a popular revolution like that of the Palestinian unrest is the way for liberation, Mesa Diya said.

He explained the political resistance as "saying no to the Israeli existence or to attempts to recognise it."

"Let Israel attack Lebanon, Tunisia, Iraq or even Algeria and Saudi Arabia, but we should maintain our political rejection of its existence, in spite of the fact that we cannot retaliate," said the man responsible for the central committee of the Algerian National Liberation Front.

A prominent item on the agenda of the PNC is the possibility of setting up a government-in-exile that would assume responsibility for Palestinian affairs on the Israeli-occupied territories.

The idea of such a government

## Khaddafi offers to pay salaries in West Bank

LONDON, Aug. 12. (Reuters): Libyan leader Muammar Khaddafi said in a radio interview that Libya would pay the salaries of Palestinians who lost jobs as a result of Jordan's decision to break administrative and legal ties with the Israeli-occupied West Bank.

Khaddafi, in an interview broadcast by Radio Monte Carlo on Wednesday and monitored by the British Broadcasting Corporation (BBC), put the estimated cost at \$1 million a month.

The Libyan Jamahiriya declares through your radio — and I thank you for giving me this opportunity to tell this good news to our brothers who have been expelled from their jobs and who are oppressed — that the

Jamahiriya (Libya) will pay the salaries of these employees," Khaddafi said.

Libya would accept financial responsibility "from the day the salaries paid by Jordan were terminated," he added.

Jordan has cancelled its West Bank development plan, dissolved the lower house of Parliament where West Bank deputies held half the seats, and cut off payments and subsidies to nearly 20,000 civil servants and teachers.

King Hussein has since spoken in favour of the creation of a Palestinian government-in-exile.

Khaddafi said the eight-month-old Palestinian uprising in the Israeli-occupied territories was "the right beginning and the correct and only path."

## Israelis discuss future of occupied territories

# Palestinian shot dead

OCCUPIED JERUSALEM, Aug. 12. (AP): Israeli troops killed one Palestinian and wounded another in the leg today after a trio of Palestinians wielding chains, clubs and an axe attacked their patrol in the occupied Gaza Strip.

In Israel, meanwhile, leaders of the country's two major political parties intensified debate over the future of the occupied territories following King Hussein's decision to cut Jordanian ties with West Bank Palestinians.

### Violence

Today's clash took place shortly after midnight in Gaza's Mughazi refugee camp, an Army spokesman said. He said the dead man, Riad Suleiman Abu Mandil, 23, had participated in anti-Israeli protests and attacks on soldiers in the past.

The death brought to 251 the number of Palestinians killed since the Arab rebellion began on Dec. 9. Four Israelis also have been killed in the violence.

Israeli military officials who demanded anonymity said troops apparently caught the Arabs by surprise as they were painting anti-Israeli slogans on camp walls.

They said Mandil fled from the Army patrol after being wounded and may have fled to death. An autopsy was being conducted to determine the cause of death.

Troops also arrested the third member of the Palestinian group, the officials said.

In an interview with Israel's armed forces radio, Foreign Minister Shimon Peres said Israel had to decide in elections Nov. 1 to pursue peace before arguing about who Israel's Arab negotiating partner would be.

Conduct

"What does Israel want — to take a peace initiative or to sit idly and let the Arabs and the Russians and the whole world run our affairs? If we do not take the initiative — and that's actually what the Likud proposes — others will take it," warned Peres, the head of the liberal Labour Party.

Peres said he still believed Jordan had to be a negotiating partner, despite Hussein's declaration that he will not bargain on behalf of the Palestinians.

"We have always thought we should conduct negotiations both with Jordan and the Palestinians, as Jordan is responsible for the main border and the Palestinians are the ones who bear the main burden of the Palestinian problem," Peres said.

In an interview with the Jerusalem Post daily, Industry Minister Ariel Sharon of the right-wing Likud bloc argued the "only realistic policy" was to consider Jordan a Palestinian state since most of its 3.5 million people are Palestinians.

"We have to object in the strongest possible way to attempts to foist on us a second Palestinian state to our east," Sharon said.

On Thursday, Pinhas Wallerstein, an Israeli settler accused of killing a Palestinian youth was

(Continued on Page 2)

## Jordan and PLO hold talks about West Bank

AMMAN, Aug. 12. (Reuters): Officials of Jordan and the PLO met in Amman today to discuss the consequences of Amman's decision to sever its links with the Israeli-occupied West Bank in favour of the PLO.

Jordanian Information Minister Hani Al Khasawneh told reporters the three-and-a-half-hour meeting discussed "issues of mutual concern in a very constructive and positive atmosphere."

He declined to elaborate and official sources said the two sides had agreed not to talk to reporters until the end of the Amman meetings.

The talks focussed on the implications of Jordan's moves to shift administrative and legal responsibilities for the West Bank's 850,000 residents to the PLO.

### Cause

They also covered the political effects that this would have on the Palestinian cause and on relations between Jordan and the Palestinians.

Amman has cancelled its West Bank development plan, dissolved the lower house of Parliament where West Bank deputies held half the seats and stopped payments or subsidies to nearly 20,000 civil servants and teachers there.

Interior Minister Raja'i Dajani, a member of the Jordanian delegation headed by Prime Minister Zeid Al Rifa'i, said the talks would resume either this evening or tomorrow morning.

At the same time, Palestinian leaders were meeting in Tunis to prepare the ground for an emergency session of the Palestine National Council (PNC), the Palestinian parliament-in-exile, to discuss Jordan's decision.

PLO officials said that its team at the Amman talks was now assessing the outcome of the first round of discussions, the first between the two sides since King Hussein announced on July 31 Jordan was giving up its West Bank responsibilities.

The PLO was represented by executive committee members Mahmoud Abbas, Abdullah Hourani, Hani Al Hassan, who is also an adviser to PLO chairman Yasser Arafat, Abdul Razak Al

Yahia, its representative in Amman, and Mohamed Milhem.

"We hope that the end result (of the talks) will be positive for the benefit of the Palestinians and Jordanians ...." Hourani told a local newspaper. "We hope there will be no negative repercussions on our people in the West Bank."

PLO officials said they hoped the talks would help to define a formula for future relations and pave the way for a visit to Jordan by Arafat.

"Jordan and the PLO have to reach a well-defined agreement due to the very dangerous situation they are in," one PLO official said. "But most importantly, both sides have to show signs of mutual trust."

The official said no major developments were likely before the PNC, the PLO's highest legislative body, convened in Algeria probably within the next month.

"The PLO's final decision on the next move will be made after the PNC meeting and after the PLO has studied all options," a PNC official said.

Algeria has agreed to host the PNC meeting which will decide whether to fill the vacuum created by Jordan's break with the West Bank by setting up a government-in-exile.

### Arafat

It will also consider whether to declare an independent Palestinian state and call for an international or European mandate over the occupied territories.

Arafat met Libyan leader Muammar Khaddafi in Tripoli yesterday.

The Libyan radio station said Arafat arrived in Tripoli yesterday. It quoted the PLO chief as saying his visit is connected to "the successive events in the Palestinian arena in more than one aspect, at the forefront of which was the Jordanian measure to disengage from legal and administrative links with the West Bank."

"I found it my duty to come here and discuss with the brother Colonel the various developments in the Palestinian arena," Arafat was quoted as saying.

## Bomb blast kills 8 in Punjab

CHANDIGARH, India, Aug. 12. (Reuters): Eight people were killed when a bomb planted by Sikh extremists exploded on a bus just outside this north Indian city today, police said.

They said 27 people were injured when the time bomb went off half an hour after the bus left Chandigarh, joint capital of Punjab and Haryana states.

Two of the victims were decapitated by the powerful blast which ripped through the roof of the bus, the PTI said.

As police were investigating the blast, they said an unexploded bomb was found outside a popular Chandigarh cinema.

Police said they defused the time bomb, also planted by extremists fighting for an independent Sikh homeland in Punjab.

In other north Indian violence, two Sikh militants were killed by police in separate clashes in Punjab's Amritsar district, PTI said.

The news agency said two Sikh priests were killed at a village temple in Uttar Pradesh

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## اقتصاد و صنایع

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- برما کے صدر نے استعفیٰ دے دیا
- ساک سربراہ کانفرنس پاکستان میں ہوگی
- پنجاب میں بم کا ایک اور دھماکہ
- افغان مجاہدین کا اہم شہر قبضہ
- رنگے برگے چشموں کے نقاشات
- گلکٹ میں سونے کی تیاری

## WEATHER

TEMPERATURE will remain normal with light to moderate north-westerly wind  
State of sea: slight  
High water: 1.00 am, 12.00 pm  
Low water: 6.00 am, 7.00 pm  
Sunset: 5.15 am  
Sunrise: 6.30 pm  
Maximum temperature recorded:  
Cuvait: 45°C (113°F)  
Ummad: 42°C (108°F)  
Athalaka: 40°C (104°F)  
Minimum temperature recorded:  
Cuvait: 29°C (84°F)  
Ummad: 31°C (88°F)  
Athalaka: 32°C (90°F)  
Maximum temperature expected:  
Cuvait: 44°C (111°F)  
Ummad: 42°C (108°F)  
Athalaka: 40°C (104°F)  
Minimum temperature expected:  
Cuvait: 30 per cent  
Ummad: 32 per cent  
Athalaka: 32 per cent  
Maximum humidity expected:  
Cuvait: 48 per cent  
Ummad: 46 per cent  
Athalaka: 52 per cent



## INTERNATIONAL

## Tehran optimistic over the fate of hostages

## Runcie meets Iranian official

LONDON, Aug. 12. (Reuters): The Iranian embassy says Tehran is exploring ways to find foreign hostages kidnapped in Lebanon after talks between the Archbishop of Canterbury and an Iranian official, raising new hopes for the release of missing Anglican church envoy Terry Waite.

Church and Foreign Office officials said yesterday that the Iranian official, Reza Said Mohammadi, met with Archbishop Robert Runcie on Wednesday afternoon shortly after arriving in London for a two-day visit.

**Optimism**  
A Foreign Office spokesman said the Iranian envoy had not requested any meetings with government officials.

In a statement before leaving for a vacation in Philadelphia, Runcie said he felt it best not to give details about the meeting.

"I believe that everyone who is genuinely concerned about the improvement in Anglo-Iranian relations and about the British

hostages in Lebanon will recognise that there are times when progress can only be made quietly," he said.

Iranian Charge d'Affaires Mohammad Basti expressed optimism about the fate of the captive foreigners.

**Discussed**  
"I think that if there is good will on all sides, the hostage issue will be solved forever," Basti said in an interview broadcast yesterday on British Broadcasting Corp. television.

The Iranian embassy added in a statement: "We are sincerely exploring the possibilities and ways of mutual assistance in tracing non-Iranian hostages in Lebanon."

The meeting at the Archbishop's London residence, Lambeth Palace, follows recent contacts between Anglican leaders and Iranian officials. It occurred on the eve of a mission by a British diplomat to improve relations with Tehran.

John Lytle, one of Runcie's

senior advisors, said Runcie met for 75 minutes with said Mohammadi, an Iranian Foreign Ministry official.

Lytle, who went to Tehran in June for talks with Iranian leaders, did not disclose what was discussed. He met Mohammadi in Geneva on his way to Britain.

Runcie has been involved in a number of diplomatic manoeuvres involving Iran. The archbishop's lay envoy, Terry Waite, was kidnapped on January 20, 1987 and is believed to be held in Lebanon by pro-Iranian groups. Waite had been trying to negotiate the freedom of Western hostages.

**Arranged**  
The other two British hostages are Brian Keenan, an English teacher at the American University of Beirut who disappeared April 11, 1986, and John McCarthy, a reporter for British world television news agency, who was kidnapped April 17, 1986. The 16 foreign hostages

believed held in Lebanon include nine Americans.

Officials recalled that Mohammadi had helped arrange a visit to Tehran in June by three members of parliament.

One of them, Cyril Townsend of the ruling Conservative Party, said he hoped Iran had enough influence over groups believed to be holding the hostages, such as the pro-Iranian Hezbollah movement, which he described in an interview published yesterday as "pretty wild at times."

"One has to keep one's fingers crossed at this delicate stage," he said. "But following the acceptance by Iran of the UN resolution and other recent developments, the chances of releasing the hostages seem better than they have been for some time."

Earlier this month, Runcie asked the Anglican Archbishop of Cyprus to visit with Christian leaders in Beirut to find out what happened to four Iranians who have been missing in Beirut since 1982.



South African troops near the Namibian border with Angola take a break after Pretoria gave a guarantee to start withdrawing its forces from Angolan territory. (Reuters wirephoto)

## US House approves tough sanctions against S. Africa

JOHANNESBURG, Aug. 12. (AP): President P.W. Botha said today that the tough sanctions bill passed by the US House of Representatives will not help South African blacks and might derail a regional peace initiative.

"The recklessness of members of US Congress who do not care in the least whether their actions adversely affect the search for a peaceful solution to the problems of Southern Africa as a whole is astounding," Botha said.

The President said the legislation, forwarded to the Senate after a vote last night, might obstruct an ongoing initiative to end South Africa's 73-year rule over South-West Africa, also known as Namibia.

The sanctions bill, which needs approval of the Senate and signature of President Ronald Reagan to become law, would halt US investment in South

Africa and impose a near-total trade embargo. It was approved by the House 244-132, with most Democrats supporting it and most Republicans opposing it.

Botha, in a statement, said the bill is being debated "for purely internal political aims."

Many black moderates and conservatives, as well as several prominent white liberals, have supported the government's contention that sanctions will have the harshest effect on blacks and will harden the white minority's resistance to political change.

**Withdrawal**  
Meanwhile, the South African Defence Force said today a withdrawal of its forces from southern Angola remained in the "planning stages" and that none of the troops had begun moving back across the border to Namibia.

"At this stage, the withdrawal is in the planning phase," the

SADF said in its first formal release on the planned withdrawal from Angola during a ceasefire that has been in effect since Monday with no reports of violations.

The statement was circulated by the bureau for information apparently in response to a crush of reporters and photographers descending on the southwestern African territory to cover the pullout of the South African troops.

Estimates on the number of South African troops deployed in southern Angola range as high as 2,000.

"We confirm that as soon as the planning progress of the withdrawal is completed and the forces start moving back to South West Africa-Namibia, a facility will be arranged for the media to visit one of the border crossing points," the statement said.

## Four-week-old boy receives new heart

GIESSEN, West Germany, Aug. 12. (AP): A four-week-old West German baby boy has become Europe's youngest heart transplant patient, a hospital spokesman in Giessen said.

Speaking for the 30-member transplant team, Dr. Heinrich Netz said the infant, identified only as Sebastian, received the heart in a three-hour operation Wednesday at a children's hospital in Giessen.

Giessen is located about 52 kilometres north of Frankfurt. Netz said that even though the technically complex operation went well, it is too early to predict the outcome.

"The condition of the child is critical. Without the operation, however, the child would not have lived through the week," Netz told the Associated Press in a telephone interview.

Sebastian, who weighs about 3,000 grams (6.6 lbs), was born with a heart condition giving him poor circulation.

Tissue in his left ventricle, into which the aorta leads, had grown so hard and thick that the heart had difficulties pumping blood.

The aorta is the main artery and carries blood from the heart to the rest of the body.

## Rajiv lied over wiretaps, says Hegde

BANGALORE, India, Aug. 12. (Reuters): One of India's most respected opposition leaders has accused Prime Minister Rajiv Gandhi of lying about government wiretapping.

Ramakrishna Hegde, who quit as Chief Minister of south India's Karnataka state after accepting responsibility for illegal wiretaps by his administration, made the charges at a news conference.

"The prime minister has uttered a blatant lie that the central government is not indulging in wiretapping," said Hegde, who is also vice-president of India's new National Front alliance formed to challenge Rajiv in national elections due by the end of 1989.

On Tuesday Rajiv told Parliament during discussions on the Karnataka wiretap scandal that the central government did not tap its opponents' telephones, saying: "We have better things to do."

The pro-government Times of India newspaper reported on Tuesday that Karnataka intelligence officials had listened to phone calls of journalists, politicians and a businessman. Hegde formally presented his

resignation to the state governor on Thursday to accept "moral responsibility" for the wiretaps although he denies ordering them.

"The 60-year-old Janata Party veteran told the news conference the central government tapped telephones 'day in, day out'."

He said the reason the government had rejected opposition demands for an official inquiry into telephone tapping was that Rajiv "would be the first to be proved guilty."

In another development, an outlawed tribal group today agreed to end its 10-year-old campaign for an independent homeland in the northeastern state of Tripura, it was announced.

The Tripura National Volunteers had signed a memorandum of understanding with federal and state governments, Home Minister Biju Singh said in Parliament.

Under the agreement, reached during three months of negotiations, the insurgents agreed to surrender their weapons within a month and abide by the Indian constitution. In return, they are to be given 20 seats in the new state legislature.

## Arms dealers to make more money out of Gulf peace

NICOSIA, Aug. 12. (Reuters): International arms dealers may make as much money from an end to hostilities between Iran and Iraq as they did in nearly eight years of war, analysts say.

"Unfortunately, peace may prove more costly to Iran and Iraq," said Don Kerr, defence specialist at the London-based International Institute of Strategic Studies.

If the ceasefire announced by UN Secretary-General Javier Perez de Cuellar takes hold on Aug. 20, both sides will be tempted to re-equip their forces with the latest weaponry available on the world market.

Instead of improvisation, making do with second-best and cannibalising equipment to keep ageing weapons working on the

frontlines, they will be able to shop around for the best.

Finding cash or bank credits will prove difficult, analysts say, but foreign powers competing to get into the Gulf market may offer long-term loans with easy repayment terms.

The value of the potential arms market is staggering.

In 1986, Iraq was estimated to be the world's largest arms importer. It acquired weapons worth some \$8 billion.

**Replacement**

The same year, Iran was the third biggest arms buyer, importing equipment valued at \$2.5 billion.

Tehran bought whatever it could through a network of go-betweens on the black market to

keep its war machine intact.

Peace will mean it can deal with manufacturers directly.

Iraq's armed forces have emerged from the conflict with enhanced status, and they too may seek to replace gaps in their defence with state-of-the-art hardware.

Major powers still have the edge in producing advanced fighters, warships and electronics, but the real killing in weapon sales in an uneasy peace may be made by second-rank states that have either kept a low profile in the Gulf conflict or proved themselves as reliable suppliers.

These include Egypt — which has sent Iraq an estimated billion dollars of arms each year — as well as Singapore and Brazil, both growing arms manufacturers.

## Thousands protest against Last Temptation

UNIVERSAL CITY, California, Aug. 12. (AP): Thousands of demonstrators bearing crosses and carrying picket signs protested at the gates of Universal Studios against the premier of "The Last Temptation of Christ" in the United States.

The demonstration mounted last night came after the conservative religious lobby, Moral Majority, condemned the Martin Scorsese-directed film as "an utter blasphemy" and pledged a boycott of Universal, the movie's distributor and related companies.

The movie, which opens tonight in seven US cities and Toronto, stars Willem Dafoe, Barbara Hershey, Harvey Keitel and David Bowie. Based on the 1955 novel by Greek author Nikos Kazantzakis, it differs with the biblical account of Jesus' life.

The fundamentalists' fury has focused on Scorsese's portrayal of Jesus as an uncertain, ambivalent saviour. In a hallucinatory dream sequence while dying on the cross, Scorsese's Christ imagines abandoning his divinity to live as an ordinary mortal, and fantasises about sex with Mary Magdalene.

**Boycott**

In London, a Roman Catholic official called Thursday for viewers to boycott the film. "People ought to show a bit of restraint and not give in to curiosity," said Nicholas Coote, assistant general secretary of the Catholic Bishops of England and Wales. "Can we just for once not wallow in bad taste?"

A spokesman for the Church of England, John Miles, said the church's board of social responsibility will want to see the film, but until it did, the church could not comment.

Police said a crowd of 25,000 joined the Hollywood protest, co-ordinated by the American Family Association, Trinity Broadcast Network and other conservative Christians in the US.

## Arrest warrant issued for Abu Nidal officer

STOCKHOLM, Sweden, Aug. 12. (AP): Swedish prosecutors have issued an arrest warrant for the alleged operations officer of the Abu Nidal terrorist organisation, although the Palestinian was believed to have died last month in Greece, a newspaper said today.

Police suspect that Samir Mohammed Khadar was killed in a bomb blast in the Athenian port of Piraeus on July 11, a few hours before a terrorist squad attacked a Greek cruise ship in which nine people died.

News reports said Khadar, who lived in Sweden since 1986, masterminded the attack on the ship, the "City of Poros." The Abu Nidal group issued a statement after the attack disclaiming responsibility.

Prosecutor Torsten Jonsson has issued an arrest warrant for Khadar in connection with the murder of a Swedish passenger aboard the ship, the Svenska Dagbladet newspaper reported. The warrant was issued because no positive identification could be made of Khadar's body, it said. Jonsson was unavailable for comment this weekend, his office said.

Kristen Hansen, an officer of Sweden's security police, told the national news agency TT that despite the warrant, "we are 90 per cent sure that Khadar is dead."

He said police learned that Khadar lived in Sweden only after the terrorist attack in Greece.

**Raid**

Police said yesterday they raided the apartment in a northern Stockholm suburb where Khadar lived with his Finnish-born wife. The raid several weeks ago led them to an arms cache, which included four assault rifles, in a forest a few kilometres away.

Hansen was quoted as saying that the weapons could have been intended for an attack on Arlanda international airport outside Stockholm or against an embassy.

Police spokesman Ingvar Eriksson refused to discuss the documents seized in the raid. Swedish newspapers said they linked him to other terrorist attacks, including a 1986 hijacking of a Pan Am airliner to Karachi.

## New-born princess leaves hospital

LONDON, Aug. 12. (AP): The Duke and Duchess of York left hospital today with their newborn daughter, the Princess of York. As the proud parents waved to hundreds of well-wishers who had gathered outside Central London's Portland Hospital, the newest member of Britain's royal family slept.

The baby, as yet unnamed, was swaddled in a white blanket for her first public appearance, broadcast live on British television.

Born Monday night, she is the first child for Prince Andrew, the second-oldest son of Queen Elizabeth II, and his wife, Sarah. The new princess is fifth in line to the throne.

The Duke and Duchess, both 28, waved to the crowd as they left the hospital with the princess for an undisclosed location.

A palace spokesman said the Duchess was feeling "fine."

Before arriving at the hospital, Andrew attended a post office ceremony to unveil a set of postage stamps based on his photographs of famous castles.

Andrew, an accomplished amateur photographer, thanked the post office for inviting him to take the photographs.

He told reporters he hoped he would suffer "only a few" sleepless nights because of the baby. He is scheduled to return to his royal naval duties in the Far East next week.



The Duchess of York holds her five-day-old daughter as she leaves hospital in London. A group of about 2,000 well-wishers gathered outside to see the new princess and the royal couple. (Reuters wirephoto)

## Bush, Dukakis step up defence debate

NEW ORLEANS, Aug. 12. (Reuters): Republican George Bush and Democrat Michael Dukakis battled over defence policy, an emerging election issue, as a new opinion poll showed Dukakis maintaining his strong lead in the presidential campaign.

New polls released yesterday gave Dukakis a lead of between six and 14 points in the week ahead of the Republican national convention which will nominate Vice President Bush to succeed President Reagan.

The Republican manifesto expected to be completed today contains a hard-hitting attack on "vacillating, ineffectual defence policies" of the Massachusetts governor whom Bush calls inexperienced in foreign affairs and defence matters.

**Test**  
While campaigning, Bush has stressed this theme and says he will drive it home between now and the Nov 8 election.

Delegates to next week's convention to formally nominate Bush were arriving in this Mississippi river city, which is all dolled up with red, white and blue bunting and banners.

In a speech yesterday, Dukakis charged that Americans did not get their money's worth out of the huge defence buildup during Reagan's administration.

"The test of a successful defence policy isn't how much money we spend it's how much security we buy. And for the past



Dukakis: lead

eight years, we haven't gotten what we've gone into debt to pay for," Dukakis said at New York University.

"I submit that governor Dukakis does not know whereof he speaks," Bush's Defence advisor John Tower told reporters. "His comments reflect his inexperience in this area. I believe the policies he advocates would seriously threaten the security of the United States."

Tower, a former Texas senator who served as chairman of the Senate Armed Services Committee, was a strategic arms negotiator for Reagan in Geneva.

He also charged Dukakis was "playing politics" over defence and attacked his plans for ending Reagan's "Star Wars" space-based strategic missile defence



Bush: drive

system.

Tower contended arms control progress would not have occurred without research or Strategic Defence Initiative which Bush wants to deploy as soon as possible.

The former senator also contended that Dukakis's plans to build up conventional forces could not be achieved with the \$2 billion to \$3 billion Dukakis would have to save by cancelling several strategic force modernisation programmes.

**Big bounce**

Bush is hoping for a big bounce upwards in polls to overtake Dukakis whose ratings jumped to 17 per centage points over Bush after the democratic convention ended on July 21.

He goes into New Orleans with an apparent upswing as a new

Gallup Poll that showed him cutting Dukakis's lead to seven percentage points and a Business Week/Harris Poll showed the Dukakis advantage at six per cent.

But other recent polls showed less of a shrink in the lead. An NBC/Wall Street Journal poll of 1,730 registered voters conducted at the weekend and released yesterday gave Dukakis a 14-point, 50 to 36 per cent lead, and a USA Today/CNN Poll showed him ahead by a 52 to 40 per cent margin.

Meanwhile, Barbara Bush, wife of George Bush, said yesterday she doesn't "like the faking... the bawling... she sees between her husband's rival Dukakis and his spouse and added that with her own family "what you see, is what you get."

In an interview with ABC News three days before the Republican national convention formally nominates her husband for the presidency, Mrs Bush also said she was angered by the shots taken at him during "the Democratic national convention in July."

**Anne Ramsey dies**

LOS ANGELES, Aug. 12. (AP): Actress Anne Ramsey, who won a nomination for Hollywood's top film award for her grotesque character in "Throw Momma from the Train," died of throat cancer, her publicist said today. She was 59.

## Foreign fleets must withdraw after peace, says Egypt

BAHRAIN, Aug. 12. (Reuters): Egypt said today foreign warships patrolling the Gulf must withdraw after peace is achieved between Iraq and Iran.

"The navies came because of the (Iran-Iraq) war, so if the negotiations, God willing, achieve peace as expected then there is no reason to keep those fleets in the region," Egyptian Foreign Minister Esmat Abdel-Maguid said.

Maguid, on an official visit to Muscat, was speaking to the Oman News Agency.

A ceasefire between Iraq and Iran is due to go into effect next Saturday and the eight-year-old war enemies are scheduled to open peace talks in Geneva on Aug. 25.

The United States and its Western allies sent some 80 warships to the region last year to protect vessels in the Gulf against Iranian attacks and to search for mines. The Soviet Union also has a naval presence in the region.

Oman has strong political and trade ties with Iran and has repeatedly spoken against a large foreign naval presence in the Gulf.

## Iran accused of shelling Iraqi positions

(Continued from Page 1)

Tuesday to assess its members for the cost of the military observer group.

After Perez de Cuellar announced the ceasefire date on Monday, Iran gave him a letter pledging it would not launch any attacks before the truce date. Iraq did not submit a similar letter, but the secretary-general said on Tuesday he received spoken assurances from both Iran and Iraq that they would exercise restraint.

Iranian President Ali Khamenei said today the ceasefire in the war with Iraq was a victory for Iran which should be protected from a position of increased military strength.

He was speaking to thousands of people who streamed to Friday prayers in Tehran for the first time since a ceasefire date was set for Aug. 20.

"Today the Iranian nation understands that the enemy has been defeated because it has not been able to achieve its ominous aims after eight years of efforts," Tehran Radio quoted Khamenei as saying.

## Fire at Empire State building

NEW YORK, Aug. 12. (Reuters): Several hundred people were evacuated today from the Empire State building, one of the world's tallest buildings, when a fire broke out on two floors, New York police and fire spokesmen said.

People were evacuated from three floors of the 102-storey Manhattan landmark but the only reported injury was a minor cut to a firefighter's hand, said acting fire chief Homer Bishop.

The Fire Department said later the fire was under control. A spokesman for the city's emergency medical services said a command post was set up on the 84th floor but paramedics were not having to treat people.

She said the 84th, 86th and 102nd, had been evacuated.

The fire started in a small utility room on the 86th floor and spread through a utility shaft to the 102nd floor, skipping the intervening floors, a Fire Department spokesman said.

The shaft carries electrical wires and plumbing.

## Palestinian shot dead

(Continued from Page 1)

charged with murder, the most serious criminal count levelled against a settler since the start of the uprising on Dec. 9.

In another court case, a military judge sentenced a pregnant Palestinian woman to serve four more months in prison for throwing a rock during a confrontation that killed two Arabs and an Israeli settler girl in the occupied West Bank.

**Prison**

Monira Daoud, the pregnant mother of three children, has already served four months in prison while awaiting trial and could serve four more months unless authorities decide to release her before she gives birth to her fourth child.

Palestinian sources reported clashes in at least three villages in the Israeli-occupied West Bank yesterday.

On Wednesday, an Arab youth, Ahmed Daraghmech, 17, died in a Nablus hospital after troops shot him in the chest during a confrontation in the West Bank village of Tubas, military sources said.





Burmese Buddhist monks lead a street rally in Rangoon, calling for the overthrow of the socialist ruler Sein Lwin. (Rauter wirephoto)

## Burmese security forces stay indoors

# Rebels call for all-out offensive

BANGKOK, Aug 12, (Agencies): Sein Lwin resigned today as President of Burma and from all his other major posts, the state-owned Radio Rangoon said.

The resignation followed three days of violent anti-government protests that left scores of people dead. Reports indicated security forces had sided with protesters in some towns by not intervening.

No successor was named for Sein Lwin, who was also head of the ruling party. But the radio said a special meeting of both the central committee of the Burma Socialist Programme Party and the People's Assembly has been called.

**Offensive**

The broadcast said the 92nd meeting of the party's central committee accepted Sein Lwin's resignation as the party chairman, by far the most powerful political position in the country. It said the council of state accepted his resignation as President of the republic and from membership of the People's Assembly.

The broadcast gave no reason for the resignation.

A top guerrilla leader today called on Burma's rebel groups to launch a nationwide offensive against the government, which has been rocked by days of massive, violent street protests.

Brang Seng, head of the Kachins and a top leader of a coalition grouping nine other guerrilla groups, called for an offensive "from north to south," to draw the Army away from two dozen towns and cities where they had converged to block street protests by tens of thousands of Burmese.

A spokesman for Brang Seng, speaking by telephone in Bangkok, quoted a statement from the guerrilla leader as saying rebels would attack government troops. But troops were also encouraged to join in battling the government "for peace and democracy," according to the spokesman.

The Kachin Army is one of the ethnic-based groups in the National Democratic Front, which claims to field some 35,000 troops in a 40-year-old war for greater regional autonomy from Burma's authoritarian, one-party government. The rebels

control vast tracts of the country.

The other rebel groups could not be immediately reached for comment.

**March**

The rebel statement came as Thai officials reported that Burmese security forces stayed indoors while thousands of protesters, demanding the government's overthrow, marched through the streets of a southern Burmese town.

About 2,000 students and other demonstrators marched freely through Victoria Point in Burma's southernmost province of Megui on Wednesday and Thursday, Chalmers Supamorn, the governor of Thailand's Rangoon province, which borders Megui, said today.

Victoria Point is some 780 kilometres southeast of Rangoon.

About 200 soldiers and 100 policemen stayed in their barracks during the march, which was also to show support for protests which have had the capital of Rangoon since Monday, Chalmers said, quoting intelligence reports. He added

that Burmese authorities have asked that border trade in the area be closed for the next few days.

A Western diplomat on Thursday said the city administration in Pegu, about 72 kilometres from Rangoon, had collapsed as demonstrators roamed about with the Army taking no action.

There have been rumours of Army dissension as tens of thousands of people have demonstrated in two dozen cities across Burma this week to demand the ouster of the country's new leader, Sein Lwin, and to call for greater democracy and economic reforms.

Sein Lwin became the nation's President and head of its ruling party last month, replacing Ne Win, who ruled for 26 years.

**Killing**

The official Radio Rangoon said on Thursday at least 15 people were killed and 81 wounded in anti-government violence that day in the capital, which has been under martial law and curfew.

By official count, about 95 people have been killed and 240 wounded in the country since Tuesday.

## US regrets Murphy could not meet Palestinians

WASHINGTON, Aug 12, (Reuters): The US State Department has expressed regret that its envoy, Richard Murphy, was unable to arrange a meeting in Cairo with prominent Palestinians on Middle East peace prospects.

"We would have liked to have met with them on this trip but it simply didn't work out," State Department spokesman Phyllis Oakley said.

"We regret it. We would hope that in the future we would be able to."

Murphy, an Assistant Secretary of State, discussed Middle East peace prospects with Egyptian President Hosni Mubarak.

But an attempt to arrange a separate meeting with prominent Palestinians failed, apparently because two of the proposed group were too closely tied to the Palestine Liberation Organisation (PLO).

The United States and Israel, its closest Middle East ally, consider the PLO a terrorist organisation and have refused to deal with the group until it renounces terrorism and recognises Israel's right to exist.

**Status quo**

Jordan's King Hussein shattered the regional status quo last week by announcing he was severing administrative and legal ties with the Israeli-occupied West Bank, leaving responsibility to the PLO.

The move raised speculation that key players in regional peace efforts, including the United States, would have to change their formula for peace.

Some regional leaders feel Hussein's refusal to represent the West Bank Palestinians means the United States — and Israel — will now have to deal with the PLO.

But one administration source, who asked not to be identified, said this would not happen until the PLO meet the US-Israeli conditions. "We will not meet with the PLO," he insisted.

Mubarak, who helped arrange the meeting with Palestinians, apparently "misunderstood what (kind of meeting) we intended to have," the source told Reuters.

## Roh appeals for a political truce during Olympics

SEOUL, Aug 12, (AP): President Roh Tae-Woo called today for a political truce during the Olympics and warned that violent protests would expose the country to "worldwide scorn."

Roh condemned demonstrations by radical students and said dissident groups were trying to spoil the mood before the Sept 17 start of the Olympic Games in Seoul. He appealed to opposition leaders to support the government in curbing unrest.

"An eruption of demonstrations involving fire-bombs, stones and tear gas during the Olympics would disrupt the Olympics and our nation would become an object of worldwide scorn," Roh told a meeting reviewing Olympic preparations.

Roh also appealed to opposition leaders Kim Dae-Jung and Kim Young-Sam, who attended the Olympic briefing, to agree to a political truce until after the Games.

The "Byungsoh" indicated it agreed on the need for peace during the Olympics.

National police headquarters in Seoul said today that 2,099 radicals were detained the previous two days for demonstrating in support of a march on Monday to the North Korean border for re-unification talks. All but 243 students were released.

Police officials said 13 police stations were attacked by students nationwide this week and several dozen officers were injured.

**Preparations**

Riot police continued to ring college campuses to foil preparations for the march to the Panmunjom border truce site, located inside the demilitarized zone that separates the two Koreas. The government banned the march, and police have mounted a major security effort to block it.

Radical students have staged scattered protests in Seoul and other cities to prepare for the march and fought riot police in

minor confrontations in some places. Turnout at rallies during the past five days have been low.

Riot police blocked a similar march on June 10 for talks with North Korean student delegates. Support for the latest march appears to be low because of public opposition, a summer heat wave and college vacations.

Radical students have seized on the re-unification issue to try to mobilise public support for their anti-government campaign. The students, a small but vocal minority on college campuses, have failed to gain support because of their violent tactics and open advances to the communist North.

The peninsula has been divided since 1945 at the end of World War II. North Korea invaded the south in 1950 to start the Korean war.

Roh denounced the students for attempting to go ahead with the march and for demanding the Olympics be shared with North Korea.

## Indian pilots seek to join foreign airlines

BOMBAY, Aug 12, (Reuters): More than a quarter of the pilots working for India's flag carriers, Air India and Indian Airlines, have applied for better-paid jobs with three foreign airlines, the Indian Pilots' Guild said yesterday.

"Given a chance, everyone would like to quit," said guild vice-president Shankar Roy in an interview.

Out of 1,300 pilots employed by the two Indian Airlines, 350 have applied for advertised jobs with Gulf Air, Singapore Airlines and Emirates Airlines, he said.

Roy said there was a big shortage of senior pilots and Gulf Air, for instance, was offering up to 95,000 rupees (\$6,800) a month to pilots.

That compares with the 6,000 rupees (\$430) a month, after taxes but before special allowances, of Air India pilots, Roy said.

A spokesman for Indian Airlines, the country's main domestic carrier, said in New Delhi that he knew some pilots had applied for jobs elsewhere but could not confirm the number.

There was no real concern about the applications and flights would not be affected even if some of the pilots found jobs with other airlines.

Roy said his guild had information that the Indian government had asked the Singapore authorities not to consider Indian pilots for any jobs.

"It is very unethical," he said. The Indian Airlines spokesman said he was not aware of any such government request.

## Street fighting in Kunduz

# Afghan rebels seize key town

TERMEZ, USSR, Aug 12, (UPI): Afghan Muslim rebels seized a major Afghan town today for the first time ever in the vacuum left by the Soviet withdrawal, Soviet sources said. A source called it "a very big initiative" by the anti-communist guerrillas.

The rebels occupied most of Kunduz, only 60 km from the Soviet border, leaving only the airport in the hands of government troops, the source said. Street fighting erupted in the city.

"They took a very big initiative," a source said. "This is the first time they have taken a major town. We brushed them aside this morning, but now they are holding on to it (the town)."

"Everybody thought they would attack in the south or east, so maybe they have decided to try something spectacular in the north," the Soviet sources said.

Under the Geneva accords of April, the Soviets must complete

their withdrawal by Feb 15 with half of the force of 115,000 men out by Aug 15. The withdrawal will leave Najibullah's government on its own against the Muslim rebels.

Western diplomats have expressed doubt whether the Afghan Army can hold out but also are unsure if the seven-member guerrilla alliance based in Pakistan can maintain unity when the Soviets are finally out.

Meanwhile, two former Soviet soldiers who have been fighting alongside Afghan rebels said on Thursday they had told the International Committee of the Red Cross (ICRC) they did not want to go home.

They told Western journalists brought to the Pakistan-Afghanistan frontier by a major guerrilla group that they had joined mujahedeen rebels and wished to remain in Afghanistan fighting the Soviet-backed government.

Elham, 22, and Abdul Qasim,

23, who are both from the largely Muslim Central Asian Republic of Uzbekistan, said they had two meetings with ICRC delegates, the second in private only last Monday.

They said ICRC representatives had told them about an offer of amnesty made by Moscow last month to deserters from its forces fighting in Afghanistan but they dismissed it as a trick and said they did not want to go back.

"It was the desire of my father and mother that I should be a Muslim," Abdul Qasim said. "If they hear that I am here and fighting with the mujahedeen they will be happy rather than sad."

A statement issued by the ICRC office in nearby Peshawar, north-west Pakistan, confirmed that delegates had paid two visits to two Soviet "prisoners" of the rebels and had private interviews.

## Earthquake shakes Tokyo

TOKYO, Aug 12, (UPI): A strong earthquake struck the Tokyo area this afternoon, shaking high-rise buildings for about 15 seconds and forcing trains and subways to come to a halt. There were no immediate reports of damage or injuries.

The quake appeared to be one of the strongest in a series of more than 12,000 tremors that have struck eastern Japan since July 26.

The National Meteorological Agency said the quake had a reading of 4 on the Japanese scale of 7, which denotes a strong quake capable of damaging buildings.

There was no immediate Richter scale reading of the tremor.

An earthquake on July 31 centred southwest of Tokyo measured 5.4 on the Richter scale, but caused no damage or injuries.

The meteorological agency said there was no danger of tidal waves being triggered by the latest quake.

The agency said the tremor was centered in southern Chiba prefecture south of the capital.

Police said some trains and subways came to a halt when the earthquake struck, but would resume travel shortly.

## 39 die as Sudan faces more floods

KHARTOUM, Aug 12, (Reuters): The Sudanese government said today that 39 people had died and 83,000 homes were destroyed when floods swept through Khartoum and neighbouring areas.

Officials warned that further disaster could strike as the level of water in the Nile continues to rise.

The torrential downpours last week made 1.5 million Sudanese homeless.

Foreign diplomats and relief officials said on Thursday that the government had managed to provide little relief for the homeless.

Some aid agencies were unwilling to send further emergency supplies, they said.

**Relief**

Hundreds of tonnes of supplies already in Khartoum have yet to be sent to the worst-hit areas.

Officials said new disaster areas were being declared in addition to Khartoum.

The government on Monday imposed a six-month state of emergency.

Seven aircraft of the Saudi

Arabian Royal Air Force have arrived here carrying the first consignment of relief aid for flood victims in Sudan.

Sources here said that six of the aircraft contained 4,000 bags of wheat while the seventh carried 14,000 kg of medicines.

The Saudi Ambassador to Sudan was reported to be personally following up the delivery of the consignment.

A lack of boats is hampering relief distribution in Sudan, where floods left 1.5 million people homeless, a UN official said today.

While substantial international aid is flowing to the African country, the situation remains "very serious," said Hyhad Chowdhury, senior officer in the UN office of the disaster relief co-ordinator.

A total of 2,500 tents and some 80,000 blankets have been airlifted to Sudan, but more is needed, he told a news briefing. Cash aid by the international community so far totals \$3 million, he said.

No disease outbreaks have been reported despite the dangers of stagnant water, which cannot drain into Sudan's non-porous soil, he said.

## UN chief wins India's Nehru Award

UNITED NATIONS, Aug 12, (UN): Secretary-General Javier Perez de Cuellar is the winner of the 1987 Jawaharlal Nehru Award for International Understanding, India's UN Ambassador announced yesterday.

The prize has been awarded annually since 1965 for outstanding contributions to international understanding, said Ambassador C.R. Gharekhan.

The ambassador said the prize was awarded for general accomplishments, but did mention the Secretary-General's role in negotiating a ceasefire between Iran and Iraq, to take effect Aug 20.

The award consists of a cash prize worth about \$110,000 and a certificate. A jury of Indian officials including the Vice President, Supreme Court justices, magistrates and journalists selects the annual winner.

The award is named after Nehru, post-colonial India's first Prime Minister.

The ambassador said Perez de Cuellar has agreed to come to New Delhi for the presentation of the prize, but a date has not been set.

Gharekhan said he hoped the presentation could be on the centennial of Nehru's birth on Nov 14. Recognisers of the Nehru Award include former Secretary-General U Thant, civil rights leader Martin Luther King Jr., missionary Mother Teresa, medical pioneer Dr Jonas Salk, black activist Nelson Mandela, Indira Gandhi, and the late Swedish Premier Olof Palme, among others.

## Christian militia opposes nomination of Franjeh

BEIRUT, Aug 12, (Reuters): The hardline Christian Lebanese Forces militia said on Thursday it had mobilised its security and political apparatus to face a possible nomination of Syrian-backed former President Suleiman Franjeh for the presidency.

"We received definite information that Suleiman Franjeh will announce his candidacy in the coming few days. We decided to mobilise our political, security, and information apparatus to face Syria's nomination of Franjeh," the Lebanese Forces (LF) militia said in a statement.

The LF militia vehemently opposes Syria's military presence in Lebanon but despite the announcement there was no evidence of a state of alert or details of what the militia intends to do if Franjeh — a long-time ally of Syria — decides to run in

the election, which is due by Sept 23.

"The move to nominate Franjeh is an attempt to sabotage the elections," an LF official who declined to be named told Reuters.

**Precautions**

"There is no state of military alert. We have been taking military precautions for three months to confront any president who will be imposed by force," he said.

Franjeh, a 78-year-old Christian Maronite, has been shuffling between his northern hometown of Ehden and Damascus for the past month to secure Syrian backing for his candidacy.

The bespectacled former president, who ruled Lebanon from 1970 to 1976, is a personal friend of Syrian President Hafez Al Assad and is seen as Syria's main Christian ally in Lebanon.

Franjeh has not yet officially


announced whether he will be a presidential contender but the LF official said Franjeh had told Syria of his decision to stand and received its blessing.

**Return**

LF leader Samir Geagea, who retreated three weeks ago to the remote Qattara monastery, north-east of Beirut, after he escaped three successive assassination attempts, returned to Beirut to follow up the developments, the LF statement said.

Political analysts said the announcement by the LF militia, which considers Franjeh's nomination as a "challenge" and a "declaration of war", was a "political manoeuvre."

Franjeh told Reuters last month he saw Syria's involvement in Lebanon, where it has an estimated 25,000 troops, as benign and said its military presence should be extended to all of Lebanon.



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## Kuwait marks truce holiday

PUBLIC and private local institutions remained closed Thursday to celebrate the announcement by the UN Secretary-General of a ceasefire between the Muslim neighbouring states of Iraq and Iran.

The national holiday, decreed by HH the Amir, also marked the agreement between Iraq and Iran to start direct negotiations for peace.

The Amir's decree, issued last Tuesday, expressed hope that the occasion would signal the "start of a relationship marked by concord and harmony between the two Muslim neighbouring states and people and the realisation of peace and stability for people in the region and the building of a prosperous future dominated by co-operation and affection."

## Soviets pledge support for UN peace efforts

# Sheikh Sabah back from Moscow visit

DEPUTY PREMIER and Foreign Minister Sheikh Sabah Al Ahmed returned to Kuwait yesterday from Moscow, where he headed an Arab League committee charged with monitoring developments in the Iraq-Iran war.

"We've exchanged views with Soviet officials on the latest developments in the area, particularly the announcement of the ceasefire and steps aimed at realising just and comprehensive peace between the two Muslim neighbours, Iraq and Iran," Sheikh Sabah said.

**Conferred**  
The delegation, conferred with the Vice-President of the Presidium of the Supreme Soviet Pyotr Demichev and First Deputy Foreign Minister Yuri



Sheikh Sabah Vorontsov during the one-day visit. Kuwait's Deputy Premier and Foreign Minister spoke highly of the understanding which the

delegation received from Soviet officials, saying that the Soviet's pledged to continue their role in establishing peace and stability in the region.

The Soviet press agency's Tass said the Soviet pledged support for the UN secretary-general's peace efforts to help the people of Iraq and Iran achieve lasting peace and dedicate their energies for reconstruction.

**Achieved**  
The Soviet officials stressed the need to "defuse tension and to free the Gulf from the naval vessels of non-littoral states."

Vorontsov stressed to the delegation that final settlement of the Iraq-Iran dispute could only be achieved through implementation of all articles of the UN Resolution 598.

## Gulf Air to purchase four new Boeings

ABU DHABI, Aug. 12, (AP): Gulf Air will purchase four Boeing 767 aircraft to replace its old fleet of Tristars, a senior carrier official has said.

Ali Al Malki, executive chairman of the Gulf's national carrier, said the new aircraft will enter service next summer. He was speaking at the end of a meeting of the Gulf Air board of directors in Abu Dhabi late Wednesday.

The board of directors approved the company's long-term plans on strategy, marketing and renewal of the fleet and asked the administration to present an "action plan" at the next meeting in Oman in December, he said.

Al Malki said that Gulf Air, owned by Abu Dhabi, Bahrain, Qatar and Oman, expects profits for this year, after having lost 10 per cent of its market share last year due to market competition.

"We expect profits this year after we lost five million dinars (\$13 million) in 1987 and 1986," he said.

Earlier, Al Malki said in a statement on arrival that the six members of the Gulf Co-operation Council are currently considering setting up a joint air carrier for handling domestic flights.

## King Fahd to visit Cairo

ABU DHABI, Aug. 12, (KUNA): Saudi Monarch King Fahd Bin Abdulaziz will pay a previously announced visit to Egypt from Aug. 26 to 28, it was reported here today.

In a dispatch from Cairo, a newspaper said that a Libyan-Egyptian reconciliation is expected to be announced during the visit of the Saudi leader. The newspaper did not say whether Saudi Arabia had a hand in the warning of relations between the two Arab states.

However, the paper said that the reconciliation comes after efforts by the President of the Arab Yemen Republic Ali Abdullah Saleh.

## Co-operative Union spreads consumer awareness

KIFAN Co-operative Society was the first to be established in Kuwait, according to Badr Homoud Al Radan, the general secretary of the Co-operative Societies Union which was established in 1971.

In an interview with the press activity group of Farwaniya summer club, Al Radan said the number of societies increased to 39. He said all societies are members of the union.

### Effective

The union plays an effective role in representing its members and spreading consumer awareness by organising and co-ordinating the activities of the co-operative movement, he said.

Al Radan said that a price committee was formed in 1979 to unify prices among societies. He also said a number of inspectors were appointed to ensure that the

prices were adhered to. However, he admitted a wide range of household items, furniture and cosmetics are still not priced by the committee.

Commodities which bear the co-operative trademark are supplied by the union at prices less than those sold at local markets, he added.

### Monitors

The general secretary pointed out that the Ministry of Labour and Social Affairs monitors the implementation of co-operative laws.

The union has played a vital role in establishing the Arabian Co-operative Union in Baghdad, and has organised meetings in Kuwait, including the seventh Arabian Co-operative Conference and the second Scientific Arab Co-operative Conference in February 1988.

## Bahrain Amir gets message from Khaddafi

BAHRAIN, Aug. 12, (Agencies): Bahrain's Amir received today a message from Libyan leader Muammar Khaddafi on bilateral ties and Arab affairs, the Gulf News Agency (GNA) reported.

The Amir, Sheikh Isa Bin Sulman Al Khalifa, received on Friday Libyan Foreign Liaison Secretary (foreign affairs minister) Jaddalah Azzouz Al Talhi who handed him a handwritten message from Khaddafi.

The letter, dealt with links between the two countries and latest developments on the Arab and Gulf arenas, the agency said, giving no further details.

Talhi arrived in Manama last night from Kuwait where he delivered a similar message to HH the Amir of Kuwait and met with top government officials.

## No justification for high insurance rates

INTERNATIONAL insurance companies now have no justification for high insurance rates on shipping companies and ships that sail the Arabian Gulf, Minister of State for Services Affairs Issa Al Mazidi has said.

The ceasefire in the Iran-Iraq war and the Iranian statement to cease fire before the official date of Aug. 20th should induce international insurance companies to scale down insurance fees to pre-war levels, Al Mazidi said.

"There is no reason to continue assuming high insurance

premiums," the minister said. He disclosed that one of the insurance companies took the initiative and reduced its fees in light of the latest developments in the Arabian Gulf.

He added that this is also applicable to insurance companies dealing in air-freight insurance in the area.

Al Mazidi called on chambers of commerce of Arab Gulf states to urge insurance companies to reduce their fees which had been increased on ships and air freight in the area during the war.

## Man acquitted of rape charge

THE Criminal Court has acquitted a man, identified as Dawood, of attempting to rape a Filipino maid, having doubted the maid's claim from the outset of the case.

The judgement was later upheld by the Court of Higher Appeal. The maid claimed that the man, who was a regular visitor to her employer's home, carried her to her room where he tried to rape her. The employer's wife

who was at home at the time, said that when she rushed towards the room, the accused escaped through a window.

The court, however, was not convinced by the story because the accused did not bear any signs of having been resisted. Furthermore, the maid did not ask for help from anyone and did not inform the police until five days after the incident.

## Summer club products exhibition

THE acting Undersecretary at the Ministry of Education Abdul Mohsen Naser Al-Saeed on Thursday opened an exhibition of products of the summer clubs students.

The exhibition was held at the Capital Educational Area. The inauguration ceremony was attended by the director of the Hawalli Educational Area Abdullah Loqman, the director of the school activities department, Khaled Al Harban and a number of senior officials of the Ministry of Education.

Al Saeed said that the exhibition is designed to encourage the talents of students in various educational areas.

Meanwhile, participants in the educational activity at the Farwaniya boys summer club toured Farwaniya Health Complex to look at services provided to patients.

The paediatrics specialist at the complex, Dr Abdul Hafiz Mustafa, said that over 250 children received treatment at the paediatric division daily.

**Study**  
He stressed the need to spread health awareness among residents and added that the Ministry of Health has prepared a study to explain expenditures.

Mustafa said that during busy seasons, clinics experience a substantial increase in patients, causing a shortage of medicines. This compels doctors to ask patients to purchase their medicine from outside pharmacies, he added.

**Research**  
Kuwait established the Islamic Medical Centre to conduct research on the advantages and disadvantages of using plants in treatment, the specialist said.

Patients who wish to treat themselves with plants should take the advice of specialists before doing so, he said.

## Rajiv praises Saudi monarch

NEW DELHI, Aug. 12, (KUNA): Indian Prime Minister Rajiv Gandhi has lauded the positive role played by King Fahd of Saudi Arabia in regional, Arab and the world affairs.

In a message to the Custodian of Two Holy Mosques, the Prime Minister spoke warmly of the close and historic relations between India and Saudi Arabia.

### Benefit

He expressed confidence that these relations would expand in the coming years, Indian Haj delegation Minister of Textiles Rafiq Alam told newsmen today.

The Indian leader praised the excellent arrangements made by the Saudi kingdom for the benefit of pilgrims.

The nine-member Indian Haj

delegation, besides meeting the King, also held discussions with the Interior Minister Prince Naif Bin Abdul Aziz and Governor of the Makkah-Mukarramah Prince Majed and invited them to visit India.

They also discussed with Saudi authorities steps for providing more facilities to Indian pilgrims. The Saudi rulers praised India's role in the kingdom's developmental programmes.

### Difficulties

Rafiq Alam, who returned from Saudi Arabia last evening, briefed the prime minister about the difficulties faced by the pilgrims during their stay in the kingdom.

He said a detailed report on improving facilities for pilgrims will be submitted to the Indian

government very soon. He said the government uses a team of over 40 doctors and paramedical staff to provide medical care to pilgrims in the kingdom.

Alam said the government also has a proposal to set up a ten-bed hospital in Makkah.

### F fulfil

The Indian minister said "the federal government thanked the Saudi authorities for allowing more than 500 pilgrims to come to Jeddah by special flights after the expiry of the last date for the arrival of the Haj flights and thus fulfil their cherished desire to perform haj."

The minister said the delegation strongly feels that the institutions and organisations looking after the pilgrims need to be strengthened.

## Kuwait University opens registration for courses

KUWAIT University has announced that persons wishing to enroll in courses for the coming season can apply at the society's service centre from Aug. 21 to 24.

Registration is open to any person over 18 years of age. Applications will be received from 4-8 pm at Khalidiya Faculty of Science.

### Provide

Applicants should provide their Civil ID card and pay registration charges.

The centre will offer following courses for the first time: family system in Islam, contemporary financial formalities, principles of law, energy, modern math-

ematics for parents, social securities, car insurance, monetary and financial markets, design of metal installations, decision making and drama literature in Kuwait and the Arabian Gulf.

### Offer

The centre will also offer afternoon courses in the following disciplines: administrative accounting, economic sciences, computers, secretarial sciences, air ticketing, information and microfilm systems.

Language courses will be offered in English, French, German, Spanish, Italian, Hebrew, Persian, Turkish and Russian.

## Importance of modernisation

By Jamal Amin

THE director of the computer and microfilm department at Kuwait's Ministry of Planning, Abdul Latif Al Nami, in an interview with a local daily stressed the importance of modernising computer and microfilm equipment at ministries and in the private sector.

He also said that the department was established mainly to extend services to ministries, institutions and the private sector.

Al Nami said that his department dealt with 35 governmental authorities during the last three months and had received 603 trainees from the beginning of this year. There were 421 Kuwaitis and 182 expatriates compared to a total of 976 last year with 644 Kuwaitis and 332 expatriates, he added.

Al Nami said that the department was committed to two training plans. One from January to June and the other from July to December. The department had engaged the expertise

of 20 Arab and foreign personnel to upgrade the capabilities of the national technical cadre, he commented.

## Unpaid telephone bills

SOURCES at the Ministry of Communications have said that the amount of unpaid telephone bills has reached KD 27 million of which KD 12 million are old debts some from as far back as 1978.

The Council of Ministers is studying the matter and is considering cancelling the bills of those individuals who have left the country or can prove that payment has been made.

Where such proof is not forthcoming, the ministry will look into other ways to settle the debts. Subscribers who refuse to pay their bills will face legal action.

The sources added that the ministry collected KD1 million this year from the figure outstanding. In 1986, the ministry issued bills amounting to KD 62 million but only received KD 59 million in payments.

## Vincennes expected to remain on duty

# US drops plan to send another Aegis to Gulf

MANAMA, Aug. 12, (AP): The US Navy has decided against dispatching another of its billion-dollar "Aegis" missile cruisers to the Gulf region to replace the USS Vincennes, military sources said today.

The sources, speaking on condition they not be identified, said the scheduled assignment of the USS Mobile Bay, a sister ship of the Vincennes, had been "postponed until further notice."

The Mobile Bay was scheduled to depart today from Mayport, Florida, to join the Navy's joint task force Middle East, which includes 27 warships in the Gulf and the Arabian Sea.

### Cutback

Although the sources declined to be specific, they indicated the decision was related to an expected cutback in the size of the US force after a ceasefire between Iran and Iraq goes into effect on Aug. 20.

The sources said the Vincennes, which mistakenly shot down an Iranian civilian jetliner on July 3, is now expected to remain on duty in the region until early September, by which time it should be clear whether the United Nations-sponsored ceasefire would hold.

One officer, also asking not to be identified, said an end to the eight-year-old conflict would "sharply reduce any need" for the Navy to send another of its most sophisticated and controversial anti-aircraft defence warships to the region.

### Flexible

The Vincennes had been expected to leave for its home port in San Diego, California, in the next two weeks, in keeping with a policy under which ships serve about three months on duty with the joint task force Middle East.

The sources said that practice is "flexible" and refused to say why the Vincennes, which arrived in the region on May 22, was being kept in the area longer than usual. US Navy policy provides for ships to be away from port no longer than six months at a time.

US Defence Secretary Frank Carlucci reiterated this week that the present force of 27 warships, including 18 in the Gulf, would be sharply cut if the ceasefire remained in effect for a "prudent" period.

An official report on the July 3 downing of the Iran Air A-300 Airbus by the Vincennes is expected to be released later this month after study by the joint chiefs of staff and Carlucci.

**Skirmish**  
Pentagon officials already have confirmed that it will blame "human error" by radar operators in the stress of first-time combat. The ship had sunk two Iranian gunboats in a skirmish less than an hour earlier.

The sources said that practice is "flexible" and refused to say why the Vincennes, which arrived in the region on May 22, was being kept in the area longer than usual. US Navy policy provides for ships to be away from port no longer than six months at a time.

While the US military investigators reportedly did not fault the Vincennes' computerised "Aegis" radar system, the Airbus incident raised questions about the deployment of a warship designed to defend a fleet in the open ocean to the Gulf, where primary threats have been mines, small gunboats and close-in aircraft attacks.

### Mission

Gen. George Crist, Commander of US Central Command, said shortly after the Vincennes entered the Gulf on May 27 that its primary mission would be to monitor an Iranian anti-ship missile site nearing competition in the Strait of Hormuz.

Crist indicated the Silkworm missile installation at Kubahestak, overlooking the Strait, could be ready this month. However, there has been no word on its status since Iran agreed on July 18 to accept the UN ceasefire plan.

## Majority in Kuwait rejects matrimonial advertisements

MATRIMONIAL advertisements in Kuwait are still rejected by the majority of the people, according to local daily who interviewed a cross-section of the local population.

However, some supported the publication of matrimonials in local newspapers and magazines as a means of communication between girls and men willing to marry.

## Pollution in Kuwait

AN official source at Kuwait's Environment Protection Council said that natural and unnatural pollution affect the air in Kuwait.

In an interview with a local daily, the source said that pollution is a serious hazard for humans and other species of life.

## Appeal rejected

THE Court of Cassation has rejected an appeal by an insurance company against the father of a youth who died in a traffic accident.

The court was told that the father was awarded a sum of KD10,000 as compensation for the death of his son.

In its appeal, the insurance company pointed out that the car driven by the son was registered in the name of his father, that the son did not possess a driving licence, and that he was responsible for the accident.

In rejecting the company's claim for refunding the amount of KD10,000 paid to the father, the court based its judgement on the evidence of the deceased's mother. She said that she gave the keys of the car to a friend of her son who had a valid driving licence.

Those who were against the advertisements said most of the matrimonial columns did not include more than one per cent of correct information.

One man called the ads "silly" and said that no respectable man or woman would use them.

## ROYAL COURT

### Amiri cable

HH the Amir yesterday sent a cable of congratulations to King Hussein of Jordan to commemorate his accession to the throne.

## KUWAIT PRESS DIGEST

### Call to review GCC-US issues

A KUWAITI daily yesterday underlined that many outstanding questions between the six-state Gulf Co-operation Council (GCC) and the US were in need of clarification and review.

The newspaper recounted, in an editorial yesterday numerous stances taken by the American administration which are unacceptable to the Arabs. The daily said the positions were motivated by anti-Arab sentiment.

It said that the latest of such hostile stances taken by the US concerned the arms deal concluded by Saudi Arabia, the defensive weapons package for Kuwait which was opposed by the US Congress and the American protestations over Qatar's purchase of shoulder-fired Stinger missiles from the open market.

Noting that all these deals had been concluded within these states' sovereign right of self-defence, the paper questioned the pressure exerted by the US against Qatar, which is a member of the GCC.

"When we demand the friendly US to be fair," the daily explained, "we do not want her to abandon its total partiality to Israel, but simply to have an eye on the future, where new relationships are taking shape in oil political, economic, trade and military domains."

The paper also called upon Washington to understand the new realities, "by refusing to remain under Zionist influence and starting to breathe fresh air that will offer it ability for creativity, renovation and change."

## GULF PRESS

### US policy in Middle East slammed

A United Arab Emirates newspaper has slammed the US policy in the Middle East and urged Washington to recognise the new facts brought about by the nine-month-old Palestinian uprising.

"All US and Zionist attempts have failed to create what they call in their political dictionary moderate representatives in the occupied territories," the Abu Dhabi-based newspaper said in its commentary.

While seeking such an alternative, it said, the US administration is still totally biased towards Israel.

"It seems Washington does not want to recognise the new facts brought about by the Palestinian uprising and Jordan's decision to sever legal and administrative links with the occupied West Bank," it said.

It referred to conditions spelled out by US envoy Richard Murphy for meeting Palestinians.

"Such conditions fully meet Israeli demands and it appears that Murphy is speaking on behalf of Tel Aviv," it said.

It added: "The new realities in the region indicate that the Palestinians will continue their struggle until the occupied areas are rid of Zionists and that the PLO is their sole and legitimate representative... the US has no choice but to recognise these realities."

Meanwhile, a United Arab Emirates English language daily criticised Israeli Prime Minister Yitzhak Shamir's "hawkish" reaction to the possibility of a Palestinian government in the occupied territories and said it was not "unexpected."

The Dubai-based daily said in an editorial that in threatening an iron-fist policy against the move Shamir "is clearly failing to take note of the fact that the popular uprising on the occupied West Bank and Gaza Strip has exposed to the world the brutality of the occupation army."

The uprising, the paper noted, has also exposed "the total rejection of Israeli rule by ordinary Palestinian men, women and children."

The paper welcomed the decision by King Hussein of Jordan to delink Jordan from the West Bank, calling it a "historic opportunity" for the PLO.

The paper dismissed Israeli claims that the gap thus created could be "filled by the occupation army."

The uprising and the role played in it by the PLO "prompted King Hussein to decide that the time was ripe for transferring his responsibility to the PLO," the daily said.

"It is not a role that the Israelis can play because their occupation army is there to crush, not sustain and develop the Palestinian people," it stressed.

## Sri Lanka and Iraq to hold joint meeting

COLOMBO, Aug. 12, (KUNA): Sri Lanka is to send a high-level team led by Finance Minister Naina Marikar to Iraq for the forthcoming Sri Lanka-Iraq joint committee meeting beginning Monday in Baghdad.

This will be the third meeting since the committee was formed in 1975. The first and second meetings were held in Colombo in 1979 and 1987.

**Importance**  
Officials at the Sri Lankan Finance Ministry told KUNA that Sri Lanka gives much importance to trade ties with Iraq.

Iraq is one of the biggest buyers of Sri Lankan tea. It has already indicated it was unhappy with reciprocal buying by Sri Lanka.

Last year Iraq wanted Sri Lanka to give it a firm commitment to purchase 2,040,000 tons of Iraqi crude oil in return for Iraq's purchase of 30,000 metric tons of Sri Lankan tea. Iraq has already accused Sri Lanka of going back on its commitment while Iraq has honoured its pledge.

**Increase**  
At the forthcoming meeting, both delegations will discuss how their countries can increase their exports to each other.

The Sri Lankan delegation is also expected to explore the possibility of labour migration from the island nation to Iraq, they said.

The Sri Lankan officials expect Iraq will need more

foreign labour for its post-war construction work. It will give a boost to the Sri Lankan labour market since the country is reported for its cheap labour.

Marikar will lead a team of officials from the state Tea Promotion Department, Petroleum Corporation and the Ministry of Trade and Shipping.

## Official returns

THE director of the animal health department at the Public Authority for Agricultural Affairs and Fish Resources, Ahmad Sultan returned to Kuwait after participating in an international symposium.

The symposium on veterinary economy and epidemics was organised by the International Epidemiology and Economic Society in co-operation with the Danish Veterinary Sciences Society.

In an interview with a local daily, Sultan said that the symposium is of particular importance in the field of livestock wealth in the world.

Discussions centred on the economics of maintaining animal health and the latest technologies involved in breeding livestock at minimum cost, he said.

Two hundred and nineteen people representing 22 countries participated in the symposium in addition to 177 researchers, Sultan said.

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**SUNDAY, August 14**  
6:00 Holy Quran  
6:10 Health

6:30 3-2-1 Contact: a programme on various types of primitive and developed means of communications.

7:00 Understanding Islam: a weekly talk on Muslim philosophy presented by Arafat Al Ashi.

7:30 Valerie: "One of a Kind"

8:00 News in English

8:30 The Flying Doctors: "Million Acre Prison"

9:30 My Two Dads: "Whose Night is it Anyway?" Nicole's dads get to spend the night exactly as they please.

10:00 Hillary's Adventures: "Glacier Pilot"

10:30 Bestseller: "A Perfect Spy," based on John Le Carré's novel.

11:30 News summary/Magazine d'Actualite/Closedown

**MONDAY, August 15**

6:00 Holy Quran  
6:10 Gafar

6:30 The Craft of the Potter: "Clay and Hand-building." Potter Mary Rogers shows the basics.

7:00 Roving Report: weekly roundup of world news and regional events.

8:00 News in English

8:30 Miami Vice: "Duty and Honour." Prostitutes are murdered under the Vietcong banner.

9:30 Private Benjamin: "Jungle Swamp Survival"

10:00 Hitchcock: "Hypocritical Oath" A student decides to dispose of the dean of the medical school ... only to find he himself the victim of a clever plot.

10:30 The Equalizer: "Suspicion of Innocence"

11:30 News summary/Magazine d'Actualite/Closedown

**TUESDAY, August 16**

6:00 Holy Quran  
6:10 Rubick

6:30 Chocky: Matthew is kidnapped.

7:00 Australian Ark: "Survival"

8:00 News in English

8:30 You and the Law

8:40 Magnum: "Novel Connection" A contracted killer goes after three women.

## This week on KTV 2



Perfect Strangers: Trouble in Paradise, on KTV 2 on Tuesday at 10:00 pm.

9:30 Les Fanchouers de Marguerites

10:00 Perfect Strangers: "Trouble in Paradise." Errors and lessons on the art of courtship.

10:30 B/W feature film: "I See Ice," starring George Formby, Kay Walsh and Betty Stockfield. A keen amateur photographer accidentally snaps crooks at work.

11:30 News summary/Magazine d'Actualite/Closedown

**WEDNESDAY, August 17**

6:10 Holy Quran  
6:10 Inspector Gadget

8:00 News in English

8:30 Miami Vice: "Duty and Honour." Prostitutes are murdered under the Vietcong banner.

9:30 Private Benjamin: "Jungle Swamp Survival"

10:00 Hitchcock: "Hypocritical Oath" A student decides to dispose of the dean of the medical school ... only to find he himself the victim of a clever plot.

10:30 The Equalizer: "Suspicion of Innocence"

11:30 News summary/Magazine d'Actualite/Closedown

**TUESDAY, August 16**

6:00 Holy Quran  
6:10 Rubick

6:30 Chocky: Matthew is kidnapped.

7:00 Australian Ark: "Survival"

8:00 News in English

8:30 You and the Law

8:40 Magnum: "Novel Connection" A contracted killer goes after three women.

6:30 The Kids of Degrassi Street: "Martin Hears the Music." A stage performance and an essay on nutrition.

7:00 Managing the Computer

7:30 Growing Pains: "The Man Who Knew Too Much"

8:00 News in English

8:30 O'Hara: Sarah, a friend of O'Hara's late wife seeks help and protection from the FBI.

9:30 Wildlife On One: "Meerfats United." A look at the meerkat, an inhabitant of the Kalahari Desert.

10:00 Sledge Hammer: "Ice Breaker"

10:30 LA Law

11:30 News summary/Magazine d'Actualite/Closedown

**THURSDAY, August 18**

6:00 Holy Quran  
6:10 Bionic Star

6:30 Sesame Street: tutorial, educational and recreational programme for children ...

7:30 Full House: "Knock Yourself Out." Danny gives a hoxer some



Life continues at Apartment 227 on Friday at 9:30 pm, on KTV 2.

unexpected news and the guy loses his match.

8:00 News in English

8:30 High Mountain Rangers: Mickey falls during a narrow mountain pass.

9:30 I Married Dora: "A Matter of Moulding." Peter signs a contract to design an exhibition for an artist friend; Dora and the kids conspire to

have it cancelled.

10:00 The Hit Squad: practical jokes, intrigues, laughs, fun and sneaky hits captured through the hidden camera.

10:30 Feature Film: "It's a Wonderful Life" (1946). James Stewart, Donna Reed, Lionel Barrymore and Henry Travers star in charming comedy-drama. Sentimental tale of Stewart, who works all his life to make good in a small town, thinking he's failed and trying to end his life. Guardian angel comes to show him his mistake. Directed by Frank Capra.

12:40 News summary/Magazine d'Actualite/Closedown

**FRIDAY, August 19**

2:00 Holy Quran  
2:10 Cartoons

2:30 Sports Studio

6:00 Foo Fur

6:30 Walt Disney Film: "A Light in the Forest." A child raised by Red Indians is called to join the army.

7:30 The Bay City Rollers Show: songs, humorous discussions and a short story for children...

8:00 News in English

8:30 Summer '88

8:40 Beauty and the Beast: "Ozymandias"

9:30 227

10:00 Guinness Records

10:30 News: Tour of Duty

11:30 News summary/Magazine d'Actualite/Closedown

## KTV 1 weekly highlights



Ibrahim Al Harbi stars in Ma Waqi Al Tanfeez, a local play, on Friday at 3:30 pm, on KTV 2.

Sarhan and Ahmed Khalil

10:40 "Ma Waqi Al Tanfeez"

**WEDNESDAY, August 17**

11:15 "Ma Waqi Al Tanfeez"

Halla: local serial starring Ibrahim Al Salal, Ali Al Mufidi, Mariam Al Ghabban, Zainab Al Dhahi and Daoud Hussein

4:15 Foreign feature film

6:00 Dandok and Budokha: serial for children

10:45 Hekayat Min Al Badiyah

**THURSDAY, August 18**

4:15 The Saint: English serial starring Roger Moore as Simon Templar

10:00 Al Tufan: Arabic feature film starring Mahmoud Abdul Aziz, Farouk Al Fishawi, Sumayah Al Ali, Amina Rizk and Mahmoud Al Jundi

**FRIDAY, August 19**

10:15 Al Saif Al Mafqud: weekly children's serial

10:30 "Ma Waqi Al Tanfeez"

11:15 "Ma Waqi Al Tanfeez"

11:45 "Ma Waqi Al Tanfeez"

12:15 "Ma Waqi Al Tanfeez"

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## EDITORIALS

## ARAB TIMES

Thought for today

ANGER is momentary madness, so control your passion or it will control you — Horace, Roman poet-satirist (65 BC-8 BC)

## UNIIMOG — newest peacekeepers

By Anthony Goodman

UNITED NATIONS. (Reuters): UNIIMOG, the observer team established on Tuesday to monitor a Gulf ceasefire, joins an alphabet soup of similar UN peacekeeping groups set up in the last 40 years with acronyms such as UNMOGIP, UNIPOM and UNYOM.

UNIIMOG The United Nations Iran-Iraq Military Observer Group — will consist of some 350 military observers, plus military and civilian support personnel, and air unit, and possibly a small naval unit to patrol the strategic Strait of Hormuz.

The oldest UN observer group is UNTSO, the UN Truce Supervision Organisation, set up in 1948 to monitor truces and armistice agreements between Israel and its Arab-neighbours.

In the absence of a settlement of the Middle East dispute, UNTSO, comprising some 300 military observers, is still going strong.

Another veteran operation is UNMOGIP, the UN Military Observer Group in India and Pakistan, set up in 1949 to supervise the ceasefire between India and Pakistan in the state of Jammu and Kashmir.

It never numbered more than about 100 observers and is now down to less than half that strength.

In September 1965 the Security Council established UNIPOM, the UN India-Pakistan Observer Mission, to supervise a ceasefire along the two countries' border between Kashmir and the Arabian Sea. By the time it was disbanded in March 1966 it had fewer than 80 observers.

An earlier short-lived operation was UNOGIL, the UN Observation Group in Lebanon, fielded from June to December 1958 during a time of tension in that country. Its mandate was to ensure there was no infiltration of personnel or arms across Lebanese borders.

From July 1963 to September

1964 UNYOM, the UN Yemen Observation Mission, oversaw the implementation of a disengagement agreement between Saudi Arabia and Egypt.

One of the smallest observer operations was DOMREP, the mission of the representative of the secretary-general in the Dominican Republic. Established at a time of civil turmoil in that country, it never had more than two observers and functioned from May 1965 to October 1966.

These operations, which usually contain the word "observer" in their title, involve unarmed officers of various nationalities whose task is to check on alleged violations of a truce or ceasefire.

A second type of operation, usually referred to as a "force," consists of regular Army units, usually infantry battalions or companies, furnished by various UN members. These units are supported as necessary by transport, signal, engineering, medical and other military services.

The first was UNEF I, the UN Emergency Force I, stationed near the Egypt-Israel border from November 1956, after the Suez crisis, until the eve of the June 1967 Arab-Israeli war.

It had a maximum strength of more than 6,000 men but was down to little more than half that number when it was withdrawn. A successor force, called UNEF II, was formed in the wake of the 1973 Arab-Israeli war but its mandate was allowed to lapse soon after the March 1973 peace treaty between Israel and Egypt. Its peak strength was nearly 7,000 men, down to just over 4,000 when it was disbanded.

Three other forces are still in operation.

UNFICYP, the UN Peacekeeping Force in Cyprus, was set up in March 1964 to try to prevent tensions between the island's Greek Cypriot and Turkish Cypriot communities from flaring into open conflict. It consists of just over 2,000 men.

## Foreign students get cool welcome in Japan

By Janice Fuhrman

WAIJIMA, Japan. (UPI): When South Korean student Chung Bong-Eun came to Japan in 1985, eight landlords gave him the same greeting: No foreigners. Two were even more blunt: No Koreans.

While the government of Japan tries to make Chung and the 22,000 other foreign students in Japan welcome, the people of Japan often send a different message.

At a recent jamboree of 400 foreign students at the seaside town of Waijima, dubbed the "Japan tent," the message from Japanese officials, educators and foreign students was the same: For now, the welcome mat extends only so far.

The recent influx of foreign students — there were only 5,000 a decade ago — is widely viewed as part of Japan's effort at opening up to the world. Uncomfortable about the country's image as a thriving economy living in social isolation while conquering markets around the world, the government wants to increase the number of foreign students to 100,000 by the year 2000.

**Oddities** But Japan's long history of isolation and its homogeneous population make it difficult for foreigners — even other Asians — to be regarded as anything but oddities.

"Foreign students often say it is difficult to make friends with the Japanese even when language is not a barrier," said Shigetoshi Kawano, director of the International Education Association. "I've lived here four years and I still get asked almost every day 'can you use chopsticks?' or 'can you eat Japanese food?' They often treat you like a child and it gets old fast," said Colin Jones, 23, an American graduate student at Tohoku University.

Even students who speak Japanese fluently report isolation and complain that they are always treated as "guests" or even "outsiders." They say Japan's phenomenal success at commerce and finance does not yet extend to people.

Morris Low, a graduate student from Australia, told his fellow students at the "Japan tent" that he looks forward to the

day when foreigners are treated like everyone else — even if it means fewer privileges.

"Now, we must carry cards that identify us as 'aliens.' But I'm not ET," said Low.

"The internationalisation of Japan is a superficial thing at this point. It doesn't cut deep into the peoples' psyche," said Chinese student Li Xiao Dan, 23.

Li, like most of the 5,500 Chinese students in Japan, is here to study advanced technology and science as part of a national development process at home. Many of them study engineering.

About 1,000 American students are in Japan, but students from China, Taiwan and Hong Kong make up half of the total number of foreigners studying here.

Chung, dispirited but persistent, finally found a place to live in a company dormitory usually reserved for the firm's employees. He has been studying commerce at Tokyo's prestigious Keio University.

Chung — whose grandfather was killed by the Japanese during Japan's 35-year occupation of the Korean peninsula — feels the long history of enmity between the two countries should not bar young South Koreans from a good education.

"The past shouldn't stand in the way of acquiring the best parts of another country. We South Koreans want to move up in the world," said Chung, 30.

**Welfare** Foreign students' welfare has been a concern here since last year when a student from Bangladesh starved to death despite Japan's affluence. Students still report harsh living conditions and extreme crowding, such as three Chinese students who live together in a 9-by-9 foot (2.7 by 2.7 m) room.

Without financial aid, life can be grim in a country where even highly paid executives from foreign countries win at rents and consumer prices.

Some 16 per cent of foreign students receive Japanese government scholarships with living stipends of about \$1,200 per month. About 15 per cent receive scholarships from private universities or organisations and the majority — 15,600 students — are self-financed.

## A test of Reagan doctrine

## Success presents US with new problems

By David D. Newsom

WASHINGTON. The United States is now facing in Afghanistan on the next phase of the Reagan Doctrine of help to anticommunist guerrillas: dealing with success.

The departure of the Soviet troops under the pressure of the US-armed resistance presents the US and its allies with new problems. Washington hopes the regime that emerges in Kabul will be democratic in nature, non-threatening to human rights, non-threatening to its neighbours, and friendly to the US and its global policies.

The Reagan Doctrine presumes, also, that the US will have a continuing influence over any leadership established with the help of US-supplied arms. Whether these hopes will be real-

ised in Afghanistan depends on at least four factors: the nature of the future regime, the obligations of that regime to the US, the role of the regional powers, and the future use of US-supplied arms.

● The future regime. Experts within the Reagan administration anticipate that, ultimately, the mujahideen will capture Kabul and overthrow the communist regime left behind by the Soviets; how soon this will happen is a matter of conjecture. The resistance, however, consists of at least seven groups. Although some moves have been taken to build national unity, the problems of overcoming old rivalries and current ambitions in a tribal country are enormous.

**Democracy** The possibility that exists of establishment of a conservative Islamic regime might well mean that in matters of human rights

and democracy the model would be far from that of a Western democracy. Women in Kabul under the communist regime recently expressed their concern that freedoms granted them while the Soviets were in the country might be taken away by a strong Muslim government.

A further complication may be appearing; it is one that has been a feature of other revolutionary situations, such as the one in Algeria. When a ceasefire comes, those who have been doing the fighting in the interior, less known to the outside world, emerge to challenge the leadership in exile. With the credentials of heroes and the strong support of their troops, they deal from strength. Their appearance may bring unexpected tensions into the job of sorting out the future.

● Obligations to the United States. Washington assumes that

the Afghan resistance leadership will acknowledge the debt owed the US by its supply of arms. Political leadership has sometimes emerged from revolutionary situations, convinced that it must distance itself from other powers. This might well be true if the new Afghan leadership were strongly Islamic in orientation. If such leadership believed, also, that it was committed to a non-aligned policy, its support for US global policies might be limited.

**Involved** ● The role of the regional powers. Countries other than the US, including China, Pakistan, Saudi Arabia, and Iran, have also been involved in supplying equipment to the resistance. Because of its own Muslim population, India will work to prevent a strongly pro-Pakistani and Islamic regime in Kabul. The

new Kabul regime will be under diverse pressures, from neighbours and other Islamic countries, which could further dilute support for the US.

New issues could arise or old ones reappear. The Pushtu issue, based on an Afghan claim to lands in Pakistan inhabited by Pushtu-speaking Pathan tribes, could be revived by opportunistic politicians.

● Future use of US-supplied arms. The US has provided millions of dollars' worth of military equipment to the resistance. Much of this will remain after the Soviets leave. Equipment from the Soviets and the Afghan Army will augment these supplies. It would be unrealistic to assume that the groups competing for power in Kabul will not be tempted to turn these arsenals against each other. In this event, the US would have

little control over the ultimate disposition of the arms.

The perception in 1979 that the invasion of Afghanistan was a dangerous projection of Soviet power and the willingness of Pakistan and Saudi Arabia to cooperate in supporting the resistance probably made the US involvement in this struggle inescapable.

Rhetoric since then, however, has suggested that the outcome would be not only the departure of the Soviets, but the establishment of a friendly, pro-American, democratic regime.

Given the myriad issues likely to arise once the Soviets are gone, Americans should not be too surprised if this does not happen. US ability to create regimes totally to its liking is limited — even where Washington supplies the arms. The Christian Science Monitor News Service.

By Moon Ihlwan

SEOUL. (Reuters): Former President Chung Doo Hwan lives quietly in a suburban mansion isolated from society but his family's financial dealings are at the heart of almost every facet of South Korean political debate.

Diplomatic analysts here say the 57-year-old ex-general, leading a beleaguered existence because of assassination threats, has left his successor Roh Tae-woo with the difficult task of liquidating his legacy while defending his honour.

The eight years of rule by Chun, who seized power after a 1979 military coup, were dogged by allegations of widespread official corruption and human rights abuses.

The former president's younger brother Chun Kyung-Hwan appeared in court on Monday charged with embezzling more than \$10 million in public funds, tax evasion and taking bribes as head of the state-backed Saemaul Rural Development Agency.

Since Chun stood down in February, exceptionally tight security has surrounded his home in north-western Seoul to guard him from frequent attacks by radical students hurling petrol bombs.

**Arrest** The national student representative council said after a two-day meeting last week that it would select a "death-squad" to execute the Chun family unless calls for their arrest were met.

The National Assembly, controlled by an alliance of opposition members, decided this month to probe more than 40 abuse allegations, most of which involve Chun himself or his relatives. "All irregularities committed under Chun will have to be cleared by thorough investigation if President Roh wants to make good a pledge to bring democracy to South Korea," said Lee Ki-Tae, an opposition member of parliament and chairman of the National Assembly Committee probing the cases.

● Setting up a \$82-million institute while the opposition said was to have served as his power base.

● Reconstruction of his private house at a cost of \$9 million.

● Building a tomb for his parents that is reminiscent of a royal shrine.

## 'Where was George?' taunt is key Democrat weapon against Bush

By Gane Gibbons

WASHINGTON. (Reuters): If Democrat Michael Dukakis triumphs in his bid to become president, his party's taunting campaign tactic — "Where was George?" — is likely to be viewed as a key factor in George Bush's political downfall.

First uttered by Massachusetts Senator Edward Kennedy at the Democratic convention in Atlanta last month, the catch-phrase is an attempt to link Bush to Reagan administration sins such as the Iran arms deal and what the Democrats regard as low ethical standards typified by Attorney General Edwin Meese.

"Bush would be a lot better off if it weren't for the Iran affair and the Meese thing," said a former top White House official watching the presidential race from a perch in private industry.

The former official, who asked not to be identified, said the Iran debacle and ethics issue — referred to by the Democrats as "the sleaze factor" — enabled Dukakis to put Bush on the defensive at a time when an era of peace and prosperity should make the prospective Republican nominee a heavy favourite in the November 8 election.

**Non-entirety** Kennedy's "Where was George?" refrain was a bid to portray Bush as a non-entity who watched silently as Reagan blundered in Iran and elsewhere. Dukakis, in accepting the Democratic nomination, implicitly echoed the same theme.

"We're going to have a vice-president who won't sit silently by when somebody at the National Security Council comes up with the cockamamie idea that we should trade arms to the

## Chun left isolated in South Korea

Roh, an Army General in 1979 who had thrown his troops behind Chun's coup bid before serving him in various positions, won a popular mandate after distancing himself from his mentor and took office with promises that he would shed light on all past irregularities.

The president, however, refuses to investigate Chun himself and recently faced problems as the opposition sought to bring the ex-president to book. Radicals still describe Roh as "Chun with a wig," a reference to Chun's baldness.

"We agree to parliamentary investigations to put an end to irregularities. But Chun Doo Hwan is the first (South) Korean president who has stood down voluntarily and set a precedent for peaceful change of power," a spokesman for Roh's party said.

In an incident last week that threatened to touch off a full-scale political crisis, the country's three main opposition parties forced through the parliamentary committee a motion calling on the government to ban Chun, his wife and 14 relatives from travelling abroad.

After passing the motion in the face of a boycott by members of Roh's ruling party, chairman Lee said their stay in South Korea was vital in view of the controversy swirling about the current scandals over them.

**Allegations** The allegations against Chun to be reviewed by the committee include:

● Setting up a \$82-million institute while the opposition said was to have served as his power base.

● Reconstruction of his private house at a cost of \$9 million.

● Building a tomb for his parents that is reminiscent of a royal shrine.

## George Bush

Ayatollah for hostages." Dukakis said by way of reminding voters that Bush apparently had little to say during administration debates over the arms deal. Bush, who claims vast foreign policy expertise as a former UN ambassador, envoy to China and CIA director, has refused to say what advice he gave President Reagan, insisting he must protect the privacy of their discussions.

But he was away at a football game during a December, 1985 meeting on the Iran initiative and says he doesn't remember attending a Jan. 7, 1986 session at which Secretary of State George Shultz and then-Defence Secretary Casper Weinberger heatedly argued against the sales.

**Deal** In testimony to congressional investigating panels and the administration's own Tower Commission inquiry, none of the other officials could recall the vice-president openly expressing his view on the arms deal.

The only hint of his position is a memo from former National Security Adviser John Poindexter, who resigned after the Iran

● Accepting a multi-million-dollar bribe from the American Northrop Corporation in connection with purchases of fighter planes.

Chun has denied accepting a bribe from Northrop but has not commented on the other charges. Other allegations embroil Chun's wife, brothers, in-laws and other relatives in various financial kickbacks and influence peddling.

Opposition politicians said during their campaign for April's general elections that the charges against Chun Kyung-Hwan, a 45-year-old martial arts expert and one-time bodyguard, were just the tip of an iceberg of top-level corruption under Chun.

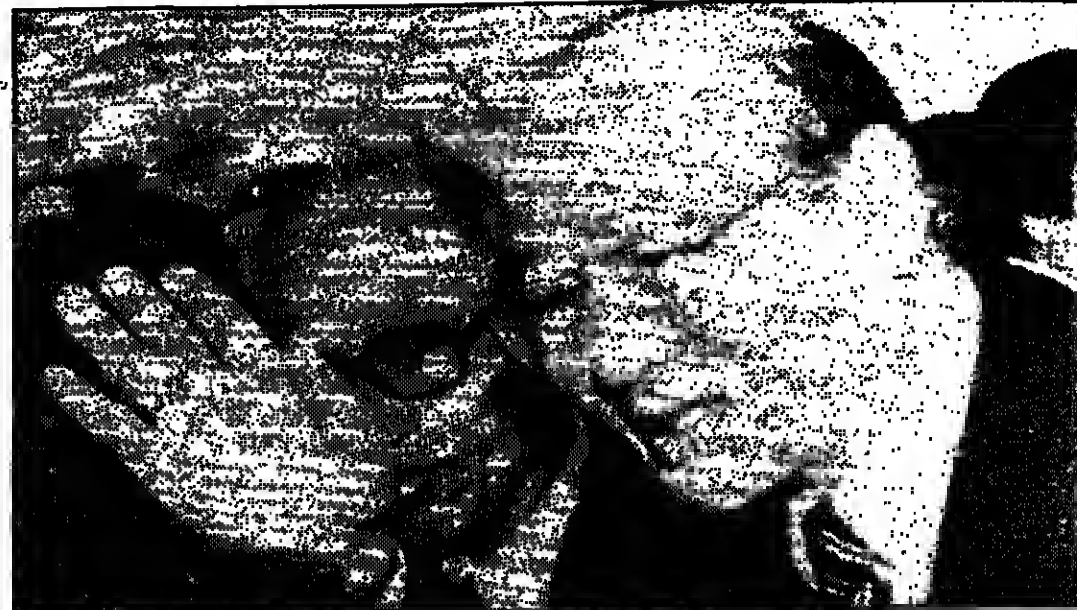
**Won** Many of those politicians won National Assembly seats in the elections, causing the government to lose its majority in parliament for the first time in South Korea's modern history.

The opposition, taking advantage of Roh's pledge that he would call a vote of confidence after Seoul hosts next month's Olympics, last month railroaded hills through parliament that would have obliged Chun to testify in parliament.

Roh vetoed the bills, which would have given the National Assembly the powers to detain anyone ignoring its subpoena and to question any abuse allegations at the demand of only one third of chamber members.

**Detail** Roh said the right to detain people should be reserved for the judiciary and the main democratic principle of the will of the majority must be respected for important decisions.

The assembly then dropped points opposed by Roh and instead set up legislation calling for a maximum penalty of five years in jail for those ignoring its summons to testify.



South Korea's former President Chun Doo Hwan waves at his neighbours as he moves to suburban mansion from the presidential palace at the end of his term in February. (Reuters wirephoto).

## Perestroika: tug of war between bureaucrats and reformers

By Ned Temko

MOSCOW. "To understand what perestroika (restructuring) is about," insists a rising young Soviet policy analyst, "you must put our Russian scepticism in context. We're always sceptical. It's to keep us from being disappointed."

"Yet there are also Russians like Maxim — an unabashed foot soldier for Gorbachevian change, not because he necessarily believes it will work, not because he discounts the enormous obstacles, but because (as he puts it) 'we dare not allow it to fail.'"

On the face of it, Maxim is an unlikely foot soldier for anything. He is a mathematician who has traditionally enjoyed life, and steered clear of politics, with equal resolve. But, like many among the determined minority actively pushing perestroika, he came of age in the late 1950s — during an earlier, abortive move toward political change after the death of (Joseph) Stalin.

Though he would resist the label of intellectual, he has this country's special love for books, ideas, argument. Like many others of his generation, he has never fully lost the idealism that reigned briefly during the "thaw" of the (Nikita) Khrushchev era.

Maxim explains it better himself. "So far, perestroika consists of politicians and their words — very beautiful words, it should be — but still just words. The challenge is to convert words to real changes."

**Co-operative** An example? Maxim has laid the groundwork for a private co-operative for computer software under perestroika's loosened controls on the economy. By the end of the year, he is hoping to launch a second computer-related co-operative — in a country of shop-counter abuses and wind-up taxi meters that has yet truly to enter the computer age.

So far (in an experience that has been fairly typical of the battle over perestroika nationwide) his application for formal approval on the first co-operative remains entangled in bureaucracy.

"The bureaucrats don't want change. They keep delaying, and I keep going to their offices," he said. "But I'll win. It's a question of patience, perseverance."

Why bother? At first, Maxim didn't fully grasp the reasons, himself. "But in setting up the co-operative, I came to see that for the first time we have on paper specific, published regulations which — it seems, at least, are going to apply to everyone in this country. This concept — the rule of law — is utterly new to this country."

"It's fascinating to think about. I have a circle of friends that include all sorts of people, but until a few months ago I'd never spend a single minute with

a lawyer. No one I know ever has. . . . Laws have never touched our personal lives."

For Maxim and others seeking to establish co-operatives, consulting lawyers has become a matter of course. "The legal side is ultimately what is important about this co-operative trend. . . . It is to press the idea of legality in every way we can. And we will because when you devote months of your life, or all your resources, to setting up a co-operative, the regulations of perestroika become a matter of livelihood."

"Intellectuals," sneers Maxim "talk about perestroika. But intellectuals don't fight for ideas. Only those practically involved and at this point, this means the co-operative movement — can be expected to fight for this process."

But there are many fewer Maxims in this country than there are people like cab-driving Sasha, who's still waiting for any practical reason to abandon life as usual.

For the official planners of perestroika, these men present a pair of chicken-and-egg puzzles. The obvious strategy would be to demonstrate palpable benefits in leaving the familiar inefficiency of the state economy for new free-market opportunities. But the obvious incentive — more roubles in pocket — means little in a country desperately short of consumer goods that make more roubles worth having.

"Look at it this way," says Sasha. "If I lived in America, or West Germany, I could theoretically have a nice car. I could travel. I could even," he chuckles, "get a private plane and land it in Red Square. . . . I'd

need only one thing: money. 'I have money. But here, what am I supposed to do with it?'

The second chicken-and-egg problem involves hard currency. An obvious way to entice popular participation in Gorbachevian reform is to stock Soviet shops with consumer goods from abroad. In the years before perestroika, it sometimes seemed as if officials assumed the country's enormous natural wealth would ensure there would always be money for imports. The plunge in world commodity prices — notably for oil, once the Soviet Union's leading trade earner — has changed that.

A prominent official economist privately suggests that the Kremlin's hope is to hedge the problem by convincing foreign companies to set up joint-venture facilities to produce consumer goods here — in effect betting their hard currency against huge (reconvertible rouble) profits once the production lines start rolling.

Maxim is not sure whether even with such outside help the proponents of perestroika will be able significantly to dent the lethargy and inertia still characteristic of much of Soviet society and economy. "What's needed is a change of attitudes among people," he says. "Maybe part of our generation's responsibility is, slowly but surely, to teach younger people, to bring them along."

Will that work? "Maybe. In 20 or 30 years. Maybe, too, this present climate of change will last only a few years. But even if it's only a brief time, we have to make every effort we can, don't we?"

The Christian Science Monitor News Service.

## TODAY IN HISTORY

- 1521 — Hernando Cortez, Spanish conqueror, captures Mexico City from Aztec Indians.
- 1624 — France's King Louis XIII names Cardinal Richelieu as first minister.
- 1784 — Britain's India Act places East India Company under government-appointed board of control.
- 1788 — Prussia joins Anglo-Dutch alliance to form triple alliance for preserving peace in Europe.
- 1792 — French revolutionaries imprison France's royal family.
- 1814 — Cape of Good Hope province becomes a British colony.
- 1898 — US forces in Philippines capture Manila from Spaniards in Spanish-American war.
- 1937 — Japanese attack Chinese city of Shanghai.
- 1961 — East Germany seals off border between East and West Berlin, closing Brandenburg gate to halt flight of refugees from East Germany.
- 1962 — Ghana expels archbishop of West Africa.
- 1967 — US bombers pound targets in North Vietnam, strike a railway and highway bridge 15 kms from China border.
- 1976 — South Africa pledges support for US effort to bring about negotiated settlement in Rhodesia, saying failure would invite communist intervention.
- 1978 — Explosion in Palestinian building in Beirut kills 150 to 200 people, including members of Palestine Liberation Organisation and Palestine Liberation Front.
- 1986 — East Germans celebrate 25th anniversary of Berlin wall with massive rally and military parade.
- 1987 — Treasure hunters are reported to have found one of the Titanic's legendary safes.





Michael Jackson: programmed to be a one-man entertainment machine from the age of three

By Barney Hoskyns

PRINCE begged an interviewer seven years ago: "Just don't compare me to Michael Jackson." Few could then have guessed there would ever be a need to.

The chance of Prince making it to the same league as Michael seemed slim indeed. And besides, he was being compared to just about every other black music legend, from Little Richard and James Brown to Jimi Hendrix and Sly Stone: why rope Michael into it?

Things rather changed in the summer of 1984, when Jackson's Victory tour with his brothers was embarrassingly eclipsed by the Princemania that grew out of the Purple Rain album and film.

Suddenly the kinky midget from Minneapolis, who two years before seemed destined to remain forever outside the pop mainstream, looked like major competition for the world's pre-eminent superstar.

To be sure, Purple Rain's 10 million sales were hardly a dent in the 40 million Jackson's

Thriller had sold, but even Michael Jackson will tell you that sales aren't everything.

Prince wasn't just competition, after all. If anything it was as if an extraordinary inversion of Jackson had crept up behind him and stolen his crown — an impish doppelgänger whose campy erotic stage antics made Jackson look too squeaky-clean by half.

Prince, moreover, did it all: wrote, sang, arranged, performed and produced music immediately more eclectic and challenging than anything Michael had ever dreamt of. And America's pop youth registered this, recognising that here was something more fresh and idiosyncratic than the painstakingly crafted tracks of Thriller.

Doubtless Quincy Jones, Michael's veteran producer, recognised it too, for in December 1986 he cannily arranged a meeting between the two superstars designed, so rumour has it, to spur Michael into finishing the interminable recording sessions for Thriller's follow-up, *Bad*.

There was even talk of Prince

## Prince vs Jacko: who's the baddest of them all?

Michael Jackson and Prince. Their music straddles all barriers of race and style. As fashioners of dance music, rock and ballad they cannot be typecast. Both are light-skinned blacks from the Midwest, sexually ambiguous, neurotically reclusive in private life as they are exhibitionist in public. So just where do they differ? And who's the most outrageous of them all?

—always loath to play second-fiddle to anyone — duetting with Jackson on "Bad" itself. Not much meaningful dialogue ensued, we're told, but the encounter may have had its desired effect.

Imagewise, too, Prince probably played an inadvertent part in the restyling of Michael Jackson: his madly flamboyant clothes (or lack of any clothes at all) made Michael look too hygienically glamorous. When the *Bad* circus hit the road in Japan last year, the primary visual motif — improbably for such a fey, androgynous creature — was sub-Mad Max punk rock.

### Symbiosis

The uneasy symbiosis of Prince's relationship to Jackson is of course rooted in the things they have in common. Both are light-skinned blacks from the Midwest, though how light in Jackson's case is a matter of constant media conjecture; both are sexually ambiguous; and both, with a divine irony, are neurotically reclusive and introverted in private life as they are

exhibitionist in public.

Their music straddles all barriers of race and style: as fashioners of dance music, rock and ballad they cannot be typecast.

Both, finally, draw on the same showbiz and R&B traditions — Broadway musicals, James Brown and Sly Stone, pre-Jackson 5 Tamla Motown stars.

### Difference

In fact, their one encounter prior to the "Bad" rendezvous was on stage at a 1984 James Brown show in Hollywood. (In his autobiography, *The Godfather of Soul*, Brown recalls that "Prince played some guitar, but I think he was a little nervous because Michael fit into my thing a little better since he had been studying me for years." Later on, says Brown, Prince, too, studied, lying on the floor at the side of the stage and watching Brown's feet.)

The principal difference between the two is that Jackson has been doing it a lot longer than Prince — indeed, he was himself an influence on the



Prince: major competition for the world's pre-eminent superstar?

young Prince. Programmed to be a one-man entertainment machine from the age of three, he has never known any other life and thus never had any other frame of reference by which to evaluate it.

Prince at least had a real childhood and adolescence, and one senses real emotions in his songs that one rarely does in Michael's. Songs on Thriller and *Bad* like "Billie Jean", and "Beat It" and "Dirty Diana" deal with sex and violence, but it is cartoon sex and TV violence.

If Prince's emotional landscape is altogether more baroque and convoluted, at least when lust or tenderness or humour or anger surface in his songs they feel genuine.

Similarly, where Prince's sound has an inspired hit-and-miss quality which comes of breaking all the rules, Jackson's — the creation of Quincy Jones and American's most brilliant players and programmers — is so meticulously sequenced and detailed it makes the singer sound disembodied, cerebral, robotic.

Prince is like a naughty

cousin to Michael — a bisexual sprite who makes him look innocent and vulnerable, however mesmerizingly the llama-loving superstar commands the world's stages.

Prince would rather do what he pleases and risk commercial failure than play safe the way Michael does. He has even confessed that the multi-platinum Purple Rain album was more of an albatross round his neck than anything else.

Playing whimsically with all forms of black and white pop, from funk to psychedelia, he has usually got at least one tongue firmly embedded in his cheek. Jackson, by contrast, as the blandly coy tone of his autobiography, *Moonwalk*, makes clear, is a pretty humourless fellow.

At the end of the day, Jackson is for the masses where Prince is for the freaks — or the freak in all of us. Jackson is glitz, Disneyland, a plastic fantasy archangel: Prince is a sly, demonic goblin, a fickle and polymorphous creature who has invented his own game and refuses to play another. He is the Stones to Jackson's Beatles.

## Winwood holds top spot in USA

NEW YORK: Roll With It kept Steve Winwood at the top of the single pop record charts in the United States for the second week in a row.

Hands To Heaven by Breakeers moved up one notch to second place on the Cash Box Magazine chart, and Sign Your Name by Terence Trent D'Arby climbed from fourth to third.

Last week's number two hit, Def Leppard's Pour Some Sugar On Me, topped to ninth position.

Soaring onto the top 10 pop list, up to 10th from 15th a week ago, was Sweet Child O' Mine by Guns 'n Roses. The week's only other newcomer to the list was Monkey by George Michael, up from 11th to 8th. Blues Eyes In Texas by Restless Heart held the number one position on the Cash Box magazine country and western singles chart. The Wanderer by Eddie Rabbit was second, and Give A Little Love by the Judds was third.

And in London: Yazz and The Plastic Population's The Only Way Is Up topped the British pop singles chart for the second straight week, while another recent addition, The Loco-Motion by Australia's Kylie Minogue, held on to the number two slot.

### Top Ten US

The Top 10 pop singles, as rated by Cash Box magazine, with last week's positions in brackets:

- (1) Roll With It — Steve Winwood (Virgin)
- (2) Hands To Heaven — Breakeers (A-and-M)
- (4) Sign Your Name — Terence Trent D'Arby (Columbia)
- (5) Make Me Lose Control — Eric Carmen (Arista)
- (6) On-Three — Gloria Estefan and Miami Sound Machine (Epic)
- (9) I Don't Wanna Go On With You Like That — Elton John (MCA)
- (1) I Don't Wanna Live Without Your Love — Chicago (Warner Brothers)
- (11) Monkey — George Michael (Columbia)
- (2) Pour Some Sugar On Me — Def Leppard (Mercury/Polygram)
- (15) Sweet Child O' Mine — Guns 'n Roses (Geffen)

The Top 10 country-Western singles, as rated by Cash Box magazine, with last week's positions in brackets:

- (1) The Wanderer — Eddie Rabbit (RCA)
- (2) Give A Little Love — the Judds (RCA)
- (3) The Only Way Is Up — Yazz and The Plastic Population (Big Life)
- (2) The Loco-Motion — Kylie Minogue (PWL)
- (5) I Need You — B.V.S.M.P. (Debut)
- (7) Superfly Guy — S-Express (Mute)
- (8) You Came — Kim Wilde (MCA)
- (4) Push It — Salt 'N' Pepa (FFRR)
- (9) Roses Are Red — Mac Band-McCampbell Bros (MCA)
- (3) Nothing's Gonna Change My Love — Glenn Medeiros (London)
- (15) Find My Love — Fairground Attraction (BMG)
- (6) I Don't Want To Talk About It — Everything But The Girl (Blanco Y Negro)

### tions in brackets:

- (1) Blues Eyes In Texas — Restless Heart (RCA)
- (5) The Wanderer — Eddie Rabbit (RCA)
- (7) Give A Little Love — the Judds (RCA-Curb)
- (3) Don't Close Your Eyes — Keith Whitley (RCA)
- (10) A Little Bit In Love — Patty Loveless (MCA)
- (11) I couldn't Leave You If I Tried — Rodney Crowell (Columbia)
- (2) Sunday Kind of Love — Reba McEntire (MCA)
- (8) I'll Give You All My Love Tonight — The Bellamy Brothers (MCA-Curb)
- (12) (Do You Love Me) Just Say Yes — Highway 101 (Warner Brothers)
- (13) Joe Knows How To Live — Eddy Raven (RCA)

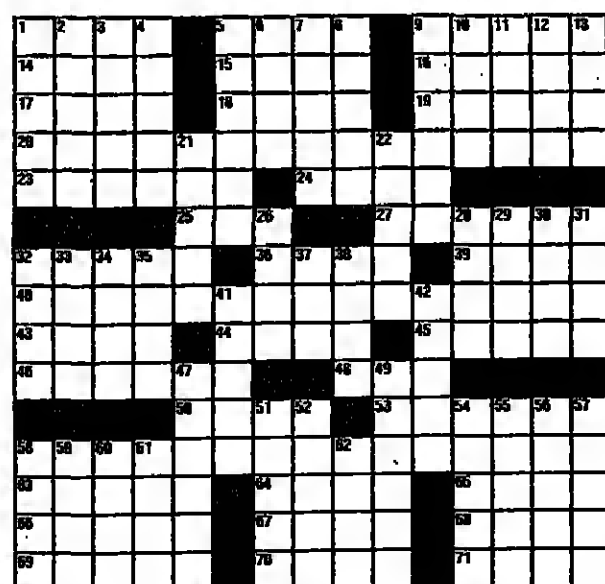
And in London: Yazz and The Plastic Population's The Only Way Is Up topped the British pop singles chart for the second straight week, while another recent addition, The Loco-Motion by Australia's Kylie Minogue, held on to the number two slot.

### UK Top Ten

This week's Top 10 singles, as listed by Our Price Music Ltd., the national music retail chain with last week's placings in parentheses:

- (1) The Only Way Is Up — Yazz and The Plastic Population (Big Life)
- (2) The Loco-Motion — Kylie Minogue (PWL)
- (5) I Need You — B.V.S.M.P. (Debut)
- (7) Superfly Guy — S-Express (Mute)
- (8) You Came — Kim Wilde (MCA)
- (4) Push It — Salt 'N' Pepa (FFRR)
- (9) Roses Are Red — Mac Band-McCampbell Bros (MCA)
- (3) Nothing's Gonna Change My Love — Glenn Medeiros (London)
- (15) Find My Love — Fairground Attraction (BMG)
- (6) I Don't Want To Talk About It — Everything But The Girl (Blanco Y Negro)

## TODAY'S CROSSWORD



### ACROSS

- Wit
- Phoney
- Strike heavily
- Hebrew measure
- Nathan, the patriot
- More sage
- Neighbor of Sacramento
- Part of BA
- Within: Prefix
- LINES
- Clandestine
- In (together)
- Once around the track
- Elect
- Young hog
- Italy's capital
- Olympic event
- LINES
- "...never was a good war or — peace"
- Pindar's lorte
- Mean
- Throat appendage
- Child
- Drastic
- President Franklin —
- LINES
- Ancient region of Asia Minor
- Solar disc
- Colors
- Build
- Dried and withered
- "Don't throw bouquets —"
- Street show
- Walked on
- Require

### DOWN

- Dullards
- Love, Italian style
- Red wine
- Before
- Dam, Mount or daisy
- Angel's instrument
- Choir voices
- Sloppy
- Change
- Type of skirt
- Ratio words
- Coastal flier
- Important times
- Hidea
- Peruvian
- Nudga
- Killer whale
- Nostril contents
- Clansman
- Weird
- Ruth's sultanate?
- Knight of the
- road
- Algarian port
- Totala
- Mine product
- Spar
- acid
- Dido
- Form a conception
- Unidid
- Piece de resistance
- Come in!
- An Allen
- Way to go
- de menthe
- Ancient chariot
- Quayside
- Israeli dance
- Rare bird
- Precise
- Peter, the pianist

### ANSWER TO PREVIOUS PUZZLE

ASKS APPLE DAY  
SEEPS ALIAS RIO  
SWEETDREAMS ELL  
SPARE NOD TASK  
RAN IDIOM  
MMD WISPS RABI  
OAR ERD BARONS  
TREE ROTOR SALT  
SCARFS EVA TEA  
OMNI INANE STY  
WERENT NED  
PROS ASI ERICH  
EAR DREAMWISHER  
LIL INTRA ECOLE  
ENO ASSYR OWLS

## GOREN BRIDGE

BY CHARLES GOREN AND OMAR SHARIF  
MAKING THE MOST OF IT

Both vulnerable. South deals.

### NORTH

♦ Q 4 2

♥ 3 2

♦ A K Q 6

♣ A K 7 5

### WEST

♦ J 10 9 8

♥ 10 9 6 5 4

♦ 5 4

♣ Q J

### EAST

♦ K 3

♥ Q 8 7

♦ 10 9 8 7 3

♣ 10 4 3

### SOUTH

♦ A 7 6 5

♥ A K J

♦ J 2

♣ 9 8 6 2

### The bidding:

South West North East

1 ♣ Pass 2 ♦ Pass

2 ♣ Pass 3 ♣ Pass

3 NT Pass 4 ♣ Pass

4 ♣ Pass 6 ♣ Pass

Pass Pass

Opening lead: Ten of ♣

How important is the opening lead? On this hand, it meant the difference between making a slam or going down. And we can only extend our sympathy to West, for we would probably have attacked with the same suit.

North's decision to jump shift, although based on a fit for opener's suit, was borderline. North's four clubs was a mild slam try, and South took the opportunity to cue-bid his

ace of hearts. North needed no further impetus to leap to slam.

From South's spade bid and North's decision to bid slam only after he heard the heart cue-bid, West inferred, correctly, that North's weakness was hearts. Had he known how much of declarer's strength was in hearts, he would certainly have selected some other suit. With a spade lead, South would have had no play for his slam.

Declarer captured the queen of hearts with the king and cashed the ace-king of clubs. He took his remaining hearts for a spade discard from dummy, then cashed four rounds of diamonds. As luck would have it, West was short in both minor suits, and East had to follow suit as declarer stuffed two spades.

All that remained was for declarer to give East his trump trick. Down to nothing but the pointed suits (spades and diamonds), East had a choice of ways to commit suicide. He could either lead a diamond to give a ruff-sluff, allowing declarer to discard a spade loser from one hand while trumping in the other, or else lead away from his king of spades. Declarer would let this ride round to the queen in dummy while offering a silent prayer that West did not hold the king.



"I can't remember: Are accountants 'left brain' or 'right brain'?"

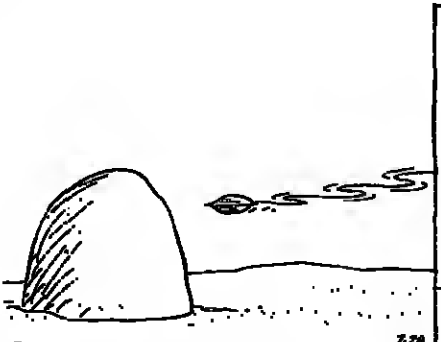
## THE WIZARD OF ID

By Brant Parker and Johnny Hart



### B.C.

By Johnny Hart



## YOUR STARS

### Aries (March 20 - April 18)

The solution to your problem has been defying you for some time will come to you in a flash. You should beware of playing with fire. Show just a little more goodwill towards others and free yourself from resentments. Be sensible.



### Taurus (April 19 - May 19)

The influences are rather mixed and you will be able to do only part of what you would wish to do. You should not put off any longer something you have been reluctant to deal with. Your emotions will be easier to control.



### Gemini (May 20 - June 20)

At first all will be well but later there will be some clouds on the horizon. You will tend to be rather on the nervous side and should try out to get excited over things. Concentrate on what has to be done and then relax. Be generous.



### Cancer (June 21 - July 21)

You will be able to have an interesting day and should not allow yourself to be sidetracked. You should have more faith in yourself. Make sure you get enough regular exercise and enough rest. Be a little more patient.



### Leo (July 22 - Aug 21)

You will be better able to deal with a practical matter. You should not waste time but nor should you be in too great a hurry. Do not rely too much on your ingenuity particularly not where electricity is involved. Be helpful.



### Virgo (Aug 22 - Sept 21)

You will be more able to make your voice heard but you should also listen to what is being said to you. You should not act on impulse, nor should you allow your emotions to get out of hand.



### Libra (Sept 22 - Oct 22)

You should make sure a routine matter is not neglected. Try to take a little more interest in something that is of great concern to your partner. Do not be shy to show your gratitude. Be a little more tolerant.



### Scorpio (Oct 23 - Nov 21)

At first you will feel rather nervous but later you will settle down to your normal composure. You will be better able to deal with your daily tasks. Make sure you take the best care of your health. Be cordial.



### Sagittarius (Nov 22 - Dec 21)

At first all will be well but later there will be ructions unless you take extra care. A lot depends on you, if you are prepared to give in on a point or two a quarrel will be avoided. And in the end you will still be the winner. Be generous.



### Capricorn Dec 22 - Jan 19

Something you have said would happen will indeed do so but you should not gloat on it. Try to be just a little more good-humoured; there is plenty to laugh about. Make sure you do not drink recklessly and watch out for those who do.



### Aquarius (Jan 20 - Feb 18)

You must be on your guard against complicating the situation needlessly. Nor should you linger too long over what is merely a matter of a few moments. You are also rather too liable to jump to conclusions. Be a little more observant.



### Pisces (Feb 19 - March 19)

You must be on your guard against complicating the situation needlessly. Nor should you linger too long over what is merely a matter of a few moments. You are also rather too liable to jump to conclusions. Be a little more observant.





# Multi-talented hero with feet of clay

By D.A.N. Jones

**A Touch of Genius: The Life of T.E. Lawrence, by Malcolm Brown and Julia Cave (Dent, £14.95)**  
**The Mint, by T.E. Lawrence (Cape £12.95)**

IT IS natural to idolise this many-talented hero of World War One.

In Madame Tussaud's I passed a desert-robed effigy of "Lawrence of Arabia," and heard a small boy ask: "Who's that, Mum?" Mum replied: "Jesus, dear."

In the Thirties, that age of dictatorships, many hoped or feared he might become the Saviour of the Nation, the Strong Man.

Since then, he has suffered denunciation and mockery — as Tee-Hee Lawrence. There seems always to be a new play, film, programme or book about him. A Touch of Genius is written by two BBC people who have produced television features about him. In 1962 and 1986, it is a sound, steady book not over-excited by the idol's romantic grandeur, nor by his feet of clay.

The good photographs remind us that he did not look much like Peter O'Toole — more like Alec Guinness, or even James Dean.

The book is particularly convincing on Lawrence's part in sponsoring Arab independence. An Iraqi friend was trying to persuade me, that Lawrence was merely a cog in the military machine and that he was working only for his own nation and its empire. (My friend had been incensed by the Peter O'Toole film.) This book might persuade him otherwise.

## Revolt

In 1916 a revolt against the Turks was proclaimed by the Grand Sherif Hussein, a descendant of the Prophet, and the protector of the holy cities of Makkah and Medina.

He declared himself "king of the Arab countries" and the British offered him alliance. Lawrence was sent to decide which of the Sherif's sons would be the best leader of this independent movement.

All was "a little old already, though only 37." Lawrence decided, Zaid was too young,



T.E. Lawrence: suffered denunciation and mockery as Tee Hee Lawrence

Abdullah more diplomat than warrior — but Feisal was "a popular idol, and ambitious: full of dreams and the capacity to realise them, with keen personal insight and a very efficient man of business." The king-maker might have been describing himself.

Lawrence rode with the warriors in ancient, ruthless fashion, enjoying the action and then ashamed of the slaughter. He was vain and ashamed of being vain. He

was ashamed of passing on to the Arabs promises given by his own government, since he was sure the promises would not be honoured: other British officers were not smart enough to know that, so they felt no shame.

For the post-war years, Lawrence worked to honour the promises, using grand gestures and his position as a popular idol, to work his will. Feisal became king of Iraq and his family continued to

reign until the Iraq revolution of 1958. Abdullah, the diplomat, became King of Jordan, where his grandson, King Hussein, still reigns.

Lawrence then stripped off his showy robes and retired into the ranks of the RAF. After his career as a shamelessly scruffy officer, he could no longer evade the drill and bullshit he despised.

## Practical

He maintained the characteristics of a handy, practical, mechanically-minded boy. He had had the best motor-bikes and he tested the best flying-boats.

He was also, of course, a good writer, exceptionally articulate and aware of his own self-contradictions. We must all admire his translation of the Odyssey and his pen-portrait of Homer.

A fine example of his writing is The Mint, a welcome unexpurgated reprint of his written-up notes on RAF basic training in 1922. My 1955 copy is more handsomely printed, but it was the four-letter words of the airman's lively dialogue, were replaced by blank spaces.

At one point, a whole paragraph was left blank. Lawrence had remarked of one of his fellow airmen that "when in drink a little streak of what seemed gross used to declare itself in him."

Then there were ten lines of blank space. Readers who wondered what grossness had been censored may now learn that the gross fellow used to wipe his bottom on the bed-sheets and thought it funny to urinate in other airmen's boots. Not too pathological, really.

Lawrence half-boasted that The Mint would be "an iron, rectangular abhorrent book, one which no man would willingly read."

Since his time, so many readers have suffered or enjoyed barrack-room life that his account does not seem quite so abhorrent, so nightmarish, as it might have been for gentle readers in the Twenties.

It is "iron and rectangular," though, summing up bleak environments and hard-done-by men (including himself) with graceful precision.

# Wise and sensitive viewers of the Raj

By John Grigg

BETWEEN January and April 1912 the Webbs visited India, on the last lap of a world tour which had taken them first to Canada, Japan, China, Malaya and Burma. Their Indian diary is such a fascinating document that the long delay in publishing it is hard to understand.

They emerge from it as wise and sensitive observers of India under British rule, and one can only wish they had maintained their interest in the subject between the wars instead of turning to Soviet Communism, with notoriously lamentable results.

The diary has been edited for publication by a lecturer in politics at Delhi University who has made a special study of Fabian Socialism. Her introduction and notes to the text are on the whole excellent, though somebody should have rescued her from solecisms such as "Viscount Alfred Milner," and from the more serious mistake of describing Balfour as a Liberal prime minister.

While in India, the Webbs unfortunately did not visit the south at all, but they covered a lot of ground in the north, travelling indirectly from Calcutta to Bombay, whence they sailed for home.

The British authorities, regarding them no doubt as res-

pectable but mildly subversive, took some trouble on their behalf without treating them with any excess of courtesy.

In Calcutta they were not asked to the Government House garden party in honour of George V and Queen Mary, who were ending their coronation visit to India, and the diary records this fact with an exclamation mark.

Variety On the other hand they were given introductions to a variety of senior officials along their route, among whom the one who impressed them most was John Hope Simpson, the collector in Gorakhpur, who was later a Liberal MP, and later still sent on a mission to Palestine by Sidney Webb when he was colonial secretary.

Simpson suggested to his guests that the government's purposes were disingenuous. "Were we really trying to enable the Indian people to dispense with our guidance, or did we intend to remain for ever in command? To pretend the one and secretly to mean the other crippled and nullified much of

the practical work."

The Webbs also had interesting contacts with Indians. In the princely state of Bhopal, the only woman ruler, whose "strong fine features" reminded her of a portrait of George Eliot.

The Guikwar of Baroda, who had recently had to apologise for churlish behaviour at the Delhi durbar, struck her as clever and in a way sympathetic, though "not what one would call a gentleman."

The Indian National Congress, whose meeting in Calcutta the Webbs were invited to attend, was in a state of decline and anyway still quite unrepresentative of the masses. Gandhi, not yet returned from South Africa, would in due course change all that.

Meanwhile the Webbs thought very highly, despite initial misgivings, of a future Gandhian, Lajpat Rai, who was to die a civil disobedience martyr in 1928. And they were utterly charmed by the moderate nationalist leader, Gopal Krishna Gokhale.

In general, they found educated Indians far superior to most members of the British ruling caste, and felt that the "aristocracy of India" was being subjected to the "mediocrity of Britain."

## Dabbled

Beatrice, who had once, as the editor points out, dabbled in Buddhism and Hinduism, reacted with reverent agnosticism to the higher forms of Indian religious life. In Yoga, for instance, she sensed that there might be "treasures of spiritual development" inaccessible to the ordinary Western mind. Yet she was also disgusted by the base superstition everywhere apparent, and by the "incessant repetition of lascivious figures" in Hindu temple sculpture.

The Webbs admired the Japanese and heartily disliked the Chinese, but to the Indians they could not help often responding with a mixture of admiration and affection.

The country appealed to their hearts as well as to their minds, and they saw "in the hordes of humble Indian folk, who crowd the third-class carriages... a spirituality and a bright intelligence."

Indian Diary by Sidney and Beatrice Webb, edited by Niraja Gopal Jayal. Oxford, 222pp, £12.95.

By Leonard Bushkoff

**THE Secret War Against Hitler, by William Casey. Washington: Regency Gateway. 304 pp. \$19.95.**

HERE is a voice from the grave, telling history — his way. A year after his death, we find William Casey still at it, still making a case for the cause of his final years: a powerful Central Intelligence Agency, secure in public standing, unhampered, uninhibited, and unapologetic in its actions, including the combat intelligence and guerrilla operations on which the book centres.

Casey somehow managed to write this book during 1985 and '86, despite his intense CIA work and declining health. Clearly, it meant a lot to him. But why?

Casey was upholding, not only the CIA's legitimacy in American life, but also his own in the pantheon of American intelligence heroes, as against the Ivy Leaguers who had joined the CIA early in the cold war, while he was making a fortune as a tax lawyer. This book reminds everyone that he, a man of modest background, had achieved much in the Office of Strategic Services — the CIA's predecessor — and stood as close to William J. Donovan, the charismatic godfather of American intelligence, as the Ivy Leaguers did.

Casey is at one with most CIA people in harking back to the glory days of World War II, when the OSS recruited the best and the brightest to fight the good fight. That times have changed, that confronting Gorbachev or Khatami is hardly analogous to fighting Hitler, and that policy by postcard signifies intellectual bankruptcy, is not for him to grasp.

Donovan would use anyone, left, right, or centre; so did Casey. Donovan identified with American big business; so

# Upholding CIA legitimacy in American life



William Casey (left) and Adolph Hitler: harking back to the glory days of World War II?



Instead, he recalls a Washington brimming with energy and purpose in 1943; a London reviving up excitedly in early 1944 for the longest day in Normandy; and a Paris liberated by the Allies — and the OSS — in that glorious August. Casey was there, a small but hard-working cog, rubbing elbows with the great and near-great — though he is modest, no name-dropper — and finding in Donovan a mentor and father figure.

Donovan would use anyone, left, right, or centre; so did Casey. Donovan identified with American big business; so

did Casey. Donovan crammed his spare minutes with reading; so did Casey. But this reading was essentially functional, operational, utilitarian. Judging by this book, it neither broadened Casey's outlook nor taught him to respect the truth.

Tendencious For this book is highly tendencious, its data shaped and manipulated to bolster his case for strong intelligence systems, and not to investigate what the OSS actually accomplished while supporting French guerrillas in the summer of 1944.

The thrust is that powerful

# Fodder for magpie minds

By Anthony Cox

AN Ashanti king is always "crowned," not crowned. True or false? The answer can be found in The Hutchinson Encyclopedia, the eighth edition of which offers more than 25,000 entries to nourish magpie minds or to provide neat answers to many of life's puzzles.

The book has been under revision for two years, following market research which revealed a demand for topicality. Nevertheless, Hamish still gets three more lines than Ian Botham, who makes a debut along with Klaus Barbie, while the only Ivan the Terrible is the one who died in 1584. Chernobyl and perestroika find their way in, as do E-mbers and the Vatican Bank.

Entries lurched from the obscure — "necrobium" is an alternative name for amphetamine — to the obvious: a newspaper is "a daily or weekly publication in the form of folded sheets containing news and comment". But along the way there is a lot of helpful information, although Poland's unit of currency is the zloty not the zoty (page 808) and Stalin's entry needs rehabilitating by a good proof-reader.

The Valley of Ten Thousand Smokes, in Alaska, sounds fascinating and begs illustration, which it does not get, while the picture of the influenza virus might just as well be a cross-section of a piece of wood.

For anyone possessed of serendipity, it is a treasure chest: Clement Ader (1841-1925) was a French aviation pioneer whose "steam-driven aeroplane made the first powered take-off in history (1890), but it could not fly. In 1897 he failed completely." As Michael Caine used to say, "Not a lot of people know that."

All this, and more, in a single volume, proudly but inexplicably announced as "the first UK encyclopaedia to be put on to compact disc."

Encyclopaedia: Eighth edition Century Hutchinson £19.95 pp1, 274.

# A feminist view of history

By Tom Morris

A FEMINIST can't call a 240-page book The Women's History of the World without at least the tip of her tongue poking into her cheek, and only a fool would criticise Rosalind Miles — or any other writer attempting such a task — for being narrow or biased in her scope.

Nor does her argument demand to be read as groundbreaking historical theory: the dismal trek from Stone Age glory under the Earth Mother into repressive patriarchy since Zeus is charted already in the work of Elizabeth Gould Davis, Amary de Rencourt and others. Dr Miles' vicious account sets out to make women's history accessible and ought to be read on those terms.

## Approach

She divides time since the Y-chromosome made its mutant bid for masculinity into four stages: "The Beginning" (under Davis' Earth Mother), "The Fall of Women" (with the discovery of patriarchy), "Domination and Domination" (in the male-blossoming West) and "The Turning of the Tide" (since Betty Friedan). She

avoids a strict chronological path through these stages, however, preferring to scatter snippets of anecdote and illustration under thematic chapter headings: "The Rise of the Phallus", "Revolution the Great Engine" and so on.

This clumping approach suits Dr Miles' forthright and amusing prose, but inevitably produces distressing generalisations. "The Greek and Roman empires, often treated in the same paragraph, tend to merge into a dimly-perceived antique unit of be-toged misogyny."

Elsewhere, the quick changes of subject and epoch are likely to bruise the sensitivity of more timid historians. You jump a bit, to be sure, when Dr Miles skips from browbeaten Mrs Samuel Pepys to free-living Hawaiian fishermen across a slight linking paragraph in the chapter on "Women's Work".

Her anecdotes are astonishing brief. The Scottish missionary Ann Moffat, who once saved herself from a lion's spring by a well-judged leap straight into her ox-wagon, where she lay all night listening to the bones of her ox as herself swallowed up in Dr Miles' whistle-stop tour of Empire the

instant her resourcefulness is established, and the "gang-raping Mundurucu of the South Seas" appear only long enough to make their bizarre tribal boast: "We tame our women with the banana."

There is a refreshing logic in this construction of history out of narrative and anecdote, and the better-sketcher storytelling does emphasise one of the most important aspects of Dr Miles' subject — its very vastness.

The title of her book is tongue-in-cheek because it illuminates the absurd truth that the study of women in history is so lamentably neglected that a single-volume account of it can even be contemplated. Such a history of men is unthinkable; a history of cats, chocolate, woodlice or women not so.

There is not only charm, therefore, but sense and ironic wit in teasing the reader with an endless stream of single-sentence vignettes of character and incident. For it makes Dr Miles' subject not only captivating, but enticing. Her point is proved because we want to know more.

The Women's History of the World by Rosalind Miles. Michael Joseph, £12.95.

By Paul Quinn-Judge

MOSCOW: Another literary taboo disappeared in Moscow recently with the publication of Yevgeny Zamiatin's anti-totalitarian novel, "We," the forerunner of Aldous Huxley's "Brave New World" and George Orwell's "1984."

"We" was written in 1921, 11 years before Huxley's book and 28 years before Orwell's. (Both books are due to appear here soon, while "Animal Farm" is currently being serialised in a Latvian literary journal.) It was, however, fiercely attacked by Soviet critics: it was first published abroad in 1924.

Zamiatin's world of the future is the "One State," a technological dictatorship ruled by the "Benefactor." Citizens have numbers instead of names, live in transparent glass boxes, and march in ranks of four to the elevator at the start of each day. Conformity is enforced by ever-present "Guardians," whose weapons

# Disillusioned Bolshevik

include sophisticated hugging devices. Hnnger has been eliminated — at the expense of eight-tenths of the world's population — the family abolished, and love "conquered."

By the time he wrote "We," Zamiatin, once a member of the revolutionary underground, had become disillusioned with the Bolsheviks. (He went into exile in 1932 and died in France in 1937.) The novel is usually described as antisocialist in Soviet reference works, while Zamiatin is criticised for his pessimism and failure to understand the 1917 revolution.

In an introduction to the first part of "We," published in the April edition of the literary journal Znamya, the prominent literary critic Vladimir Lakshin paints a sympathetic portrait of Zamiatin. He was "an eternal rebel, experimenter, and oppositionist," Mr Lak-

shin writes, one of those "uncomfortable people, who under any form of government and in any milieu find a way to say unpleasant truths."

Zamiatin was endowed with a "tragic clairvoyance," Lakshin says. The use of numbers instead of names looks ahead to the labour camps. The rallies in honour of the Benefactor, stage-managed elections, and the ever-present Guardians prefigure the Stalin era. And the moment of the conquest of hunger at the expense of part of the population appears, he says, to be a "mournful prediction of what happened during the hunger in the Ukraine in 1932-3," during which millions are thought to have died.

Lakshin also seems in his introduction to be making an appeal for greater tolerance of creative diversity.

1988, The Christian Science Monitor News Service.

## FAMILY DOCTOR

By DR ALAN BRUCKHEIM

QUESTION: My father (79 years old) has been normally depressed following the death of my mother. His doctor has prescribed lithium to help ease the depression. I'm no doctor, but I thought lithium was a very severe drug used to treat manic-depressives. I'm worried, because I've heard that the elderly sometimes wind up on too many medications. What do you think?

ANSWER: Your obvious concern and anxiety, plus the circumstances as you describe them, make a "second opinion" from another physician wise and appropriate course of action. This very potent drug can be useful in treating depression in the elderly, but it should be used only for psychiatric conditions that cause depression. You are right when you say your father is "normally depressed" after the loss of your mother, as depression is often a big part of grieving. The elderly often become depressed because of loneliness, a reaction to loss or a negative reaction to medications.

There are, however, other types of antidepressants besides lithium that can be used effectively at these times.

If your father is indeed found to be suffer-

ing from a manic depressive illness, then lithium can be helpful, as it is being used successfully in some elderly patients. He should get regular checkups and have follow-up lab work done frequently for the lithium to be used safely.

Lithium should not be given to patients with severe kidney or cardiovascular disease, or be taken with diuretics, as the drug could become toxic under these circumstances. You can see that, when obtaining another opinion, it is most important that you present all the history about your father, including a list of medications he may be taking.

QUESTION: My 8-year-old son suffers from skin rashes (atopic dermatitis) and asthma. His doctor says certain foods may be contributing to his problems — that he may have a food allergy. The doctor wants to put him on an elimination diet. Could you please tell me about this?

ANSWER: Food allergies are common in young children. These allergies can manifest themselves by causing vomiting, diarrhea, colic, gastrointestinal bleeding, skin rashes,

rhinitis and asthma. Dietary elimination is considered a most effective way to treat a food allergy. First, you have to identify the offending foods, and that is often difficult. The elimination diet begins with excluding suspected offending foods from the diet. If the symptoms improve or disappear, the next phase of the diet begins.

The eliminated foods are reintroduced, one at a time. With each food an observation is made — have the symptoms reappeared? Hopefully, the offending foods can be quickly identified and can be eliminated for good from the patient's diet. However, it is important to remember that children often outgrow their food allergies.

It is very important to make sure nutrition doesn't suffer because of the diet. If your son's special diet removes important nutrients, your doctor should recommend supplements to replace them. It is highly advisable that all patients on elimination diets be monitored closely to prevent any problems that this form of therapy could provoke.

1988 TRIBUNEMEDIA SERVICES, INC.

ANDY CAPP



By Smith



# BUSINESS & FINANCE

Fed ready to cut money supply further

## Rate hikes seen cooling red-hot US economy

WASHINGTON, Aug 12. (Reuters) The US economy powered almost unscathed through last autumn's financial crash but it is now so strong it is running red-hot.

Although some economists think it may have begun to slow of its own accord, many argue that something had to be done to cool it — and they welcomed this week's higher interest rates aimed at braking consumer and business spending so as to damp down inflation.

**Rise**  
The Federal Reserve, America's Central Bank, on Tuesday raised its discount rate from six to 6.5 per cent among other moves to tighten credit, prompting commercial banks to lift prime lending rates a half-point to 10 per cent.

"We're having this rise in rates because the fundamentals of the

economy are running like a 12-cylinder Ferrari," said Thomas Carpenter, an economist at ASB Capital Management Inc here.

"The rates are being engineered by a Federal Reserve which I think doing the right thing," Carpenter said.

### Slowdown

The discount rate hike was viewed as a signal that the Fed is ready to cut the money supply even more if it sees the need, which some economists think it will.

But they said the rate hikes will have a delayed impact on economic expansion that is not expected to show up until after the November 8 presidential election.

A sharp slowdown now might embarrass Vice-President George Bush as he campaigns to win the White House.

So far, minor credit-tightening moves by the Fed since Alan Greenspan took over as chairman from veteran inflation-buster Paul Volcker a year ago have done little to slow the economy.

In its 69th month of the longest peace-time expansion on record, it grew at a brisk 3.4 per cent annual rate in the first three months of 1988 and at 3.1 per cent in the second quarter.

Some 2.25 million jobs have been created since January. Unemployment is near a 14-year low.

Inflationary pressure is being built up by a trend to higher wages, steady demand for goods and shortages caused by the worst drought in 50 years. Some factories are going flat out.

By raising interest rates, economists said the Fed hopes to slow growth to a more manageable rate of two to 2.5 per cent by

dampening consumer and business spending, while allowing export sales to assume a larger role in the economy.

But fine-tuning the economy has its risks.

### Exports

Too much tightening could push the dollar higher and, by making exports less price-competitive, threaten progress which the United States has made in improving its trade balance.

The economy might also be pushed into a recession.

Too little tightening, on the other hand, might fail to put a lid on price increases and could shatter the confidence of the money markets in the Fed's ability to fight inflation.

The Fed's last half-percentage-point increase in the discount rate last September 4 was followed six weeks later by the October stock market drop

which forced it to ease its grip on credit to help keep the economy out of a deep recession.

But, despite an initial sell-off in the stock market that knocked 3.4 per cent of the Dow Jones industrial average in the two days following the latest discount rate hike, economists see little change of another market disaster.

### Confidence

"Before the stock market crash last year, the market didn't have confidence in Alan Greenspan," said Michael Penzer of Bank of America.

"The Fed doesn't want a recession, they want to temper this thing at the edges," he said. "They're going about it the right way. The only question is how much of this tightening will it take to get economic growth to two-to-2.5 per cent."

Also, as ASB's Carpenter noted, Wall Street stocks are at a

lower base than on "Black Monday" October 19 when \$500 billion in wealth evaporated in a single day.

Some economists questioned whether the rate hikes were necessary to cool the economy.

"I think the economy is starting to slow on its own anyway," said Lawrence Chimere, chairman of the Wafa Group economic forecasting firm in Bala Cynwyd, Pennsylvania.

### Supply

"My own view is that the tightening of the money supply will slow the economy at the margins a little more than it otherwise would have," Chimere said.

Economist Cynthia Latta of the firm of Data Resources was even concerned that the Fed's action "may push the economy into a downturn, but I may be unduly pessimistic."

## American wholesale prices rise

WASHINGTON, Aug 12. (AP) Wholesale price inflation increased to an annual rate of 5.7 per cent in July, spurred by big boosts over a wide variety of products, including clothing, automobiles, furniture and poultry, the government said today.

The increase came despite lower prices for beef. The drought that has struck the Midwest United States has forced farmers to slaughter more animals because of burned-out pastures and higher feed prices.

Just three days after the Federal Reserve board initiated an increase in interest rates to fight inflation, the Labour Department said wholesale prices rose 0.5 per cent in July, the highest increase since March.

**Goods**  
In June, the department's producer price index for finished goods rose 0.4 per cent, or at an annual rate of 4.6 per cent, more than double the 2.2 per cent rate of wholesale price inflation for all of 1987.

Wholesale prices for consumer goods increased at a slower pace — 0.4 per cent — than for goods overall, indicating to some analysts that the worst immediate effects of the drought plaguing the farm belt were over. Food prices had been rising faster than prices for other products on the wholesale level since April.

Overall energy prices, meanwhile, remained unchanged after a 1.6 per cent drop in June, with a 3 per cent seasonal adjusted increase in gasoline prices offsetting a 6.1 per cent decline in what distributors pay for home heating oil.

**Volatile**  
Excluding food and energy, wholesale prices rose at 0.6 per cent in July. Because food and energy prices are highly volatile from month to month, most analysts look to price changes for other products as a better indication of underlying inflation.

Analysts said the softer food prices partly offset what they called an over-reaction in June to the drought.

## Bahrain's largest bank reports profit rise

BAHRAIN, Aug 12. (Reuters) Bahrain's largest bank on Thursday announced a 19 per cent increase in net profit for the first half of 1988, but its president predicted at least two more years of big loan loss provisions.

Arab Banking Corporation (ABC) said in a statement that net profit rose to \$68 million in the same period in 1987.

Bad debt provisions rose to \$28 million from \$15 million. Bank president and chief executive Abdulla A. Saudi said the bank was likely to make more big provisions at least until 1990.

**Provisions**

"We have adopted the criteria where we would like to continue building up our provisions," he told Reuters.

He added: "I don't see the situation improving this year." ABC has said it has a high exposure to Latin American and other Third World debt. Last February it announced it was shifting \$375 million to provisions for 1987 following an international trend in setting aside reserves against loans made to developing countries.

Of the 1987 provisions, \$158 million were taken from operating profit and 217 million from reserves and retained earnings.

Move poses potential problems for Third World

## Major US banks raise prime lending rates

NEW YORK, Aug 12. (AP) The hike in prime lending rate charged by major US banks resulted from a drive to fight inflation, but poses potential problems for Third World nations with massive foreign debts.

The banks boosted their base-lending rates by a half percentage point to 10 per cent on Thursday — a more than three-year high — in reaction to the Federal Reserve's efforts to push all interest rates higher to curb inflation.

### Ground

The prime rate increase, the second in a month, puts the key lending rate in double digits for the first time since June 1985.

Financial markets took yesterday's news in stride after weathering the storm that followed the Fed's increase in a key lending rate earlier in the week.

On Wall Street, the Dow Jones average of 30 industrial closed

up 5.16 to 2,039.30. Bond prices, which generally decline in the face of rising interest rates, ended mixed.

The dollar lost ground against all key foreign currencies, although some European traders credited the prime rate hike for preventing a free fall.

The prime rate increase is expected to have an unwelcome effect eventually on the heavily indebted countries of the Third World, which collectively owe more than \$1 trillion to foreign creditors.

The interest on many of these loans is tied to the US prime rate or to similar rates in other industrial countries such as Japan, Britain and Germany.

Roberto Tosso, financial representative of the Central Bank of Chile in New York, said in a telephone interview that the impact would not be immediate on the borrowing countries.

Most of them have their interest rates fixed for six months in advance, Tosso said.

Chile, which owes \$10.5 billion to foreign banks, "had its interest rates fixed early this year for 12 months ahead, into the first quarter of 1989," he said, "and they are tied to the London Libor rate, which will eventually be affected by the rise in the US prime rate if the hike remains in force for some months."

### Boost

Economists had expected the latest boost after the Fed signalled its desire to tighten credit on Tuesday by raising its discount rate to 6.5 per cent from 6 per cent, citing inflationary pressures. The discount rate is in the interest the Fed charges on loans to member banks.

Economists said the subsequent boost in the prime reflected the rising of borrowing costs faced by the banks. Rates banks

pay on products such as certificates of deposits or money market accounts have been forced up, although not at the same pace as bank loans.

Economists say that in the United States the rise in the prime will affect small- to medium-sized businesses and consumers more so than large corporations, which borrow more cheaply in the open market.

Because the prime is used to calculate a wide range of fixed- and adjustable-rate loans, the increase is likely to pinch the pocketbooks of American consumers who already have seen borrowing costs rise in recent months.

### Investment

"It will slow the economy, but it won't stop it in its tracks," said Robert Brusca, chief financial economist for the investment firm Nikko Securities Co. International. "That's a healthy thing right now."

## Turkey signs agreement for coal power plant

ANKARA, Turkey, Aug 12. (AP) Turkey's energy minister today signed an agreement with several foreign companies to construct a coal-fuelled thermal power plant at Yumurtalik on the Mediterranean coast.

The plant, to be financed completely by foreign credits, will be the first application of Premier Turgut Ozal's build-operate-transfer system.

Under the system, the companies involved construct the project and operate it for a period — in this case 26 years — before turning it over to the state.

Turkey's state-owned Electricity Authority will have a 30 per cent share in the venture. Japan's Chiyoda will hold 26 per cent and the US company Westinghouse will have 15.5 per cent. The rest of the shares will be divided among West German, Australian and Turkish concerns.

## European farmers hope to cash in on American drought

PARIS, Aug 12. (Reuters) Europe's farmers, harvesting a bumper grain crop, hope to cash in on the North American drought to boost their share of a US-dominated world cereal market.

Traders and market analysts say handsome yields in Europe and the worst US drought in 50 years are a recipe for fiercer transatlantic competition in the grain trade.

"The European Economic Community would like to use the North American drought to regain its traditional markets in the Third World which had been lost to the Americans," said an official at the French foreign trade ministry.

### Exporter

France, highest agricultural power in the 12-member EEC, is angry at what it sees as penetration of markets in North Africa and Latin America by the United States, the world's leading exporter.

European traders agree the drought is a golden opportunity to cut back EEC grain surpluses with exports to the Soviet Union and elsewhere.

But officials at EEC headquarters in Brussels have so far shown no sign they want to risk a new transatlantic trade conflict. The United States and the Community narrowly averted one in 1986 over US maize sales to Spain.

And analysts believe the EEC will also want to avoid an aggressive export drive so as not to strain its budget with much bigger handouts to farmers — it subsidises cereal exports — as well as to avoid arousing the wrath of the US Congress.

Also at stake is the current round of world trade negotiations in the General Agreement on Tariffs and Trade (GATT) which are taking place against a background of charges of unfair subsidies on both sides of the Atlantic.

Traders polled by Reuters correspondents therefore predict a rise in EEC exports as a result of the US drought but say farmers will not get a walkover.

"The Americans are maintaining a very competitive edge, so the Community is still facing stiff competition," said Brian Gardner, director of research policy analysis Brussels.

Traders in West Germany say world grain demand is likely to remain stagnant or decline slightly, particularly as the Soviet Union, the biggest importer, looks set to bring in a good crop.

### Exports

The US Department of Agriculture predicts that EEC wheat exports will rise this year to 29.7 million tonnes from 27.68 million. Exports of coarse grains used mainly for animal feed will grow to 22.79 million tonnes

from 19.97 million. European traders calculate that the EEC could capture 18 per cent of the world grain market this year, up from around 14 per cent last year.

Rising prices of US maize and soybeans also give European farmers a chance to regain the animal feed market, where cheaper American products have been squeezing out domestic grains.

French analysts reckon that European farmers lost five million tonnes last year in the animal feed market to US imports. But traders say they could regain up to half of that figure this year.

The EEC cereal harvest this year is expected to rise to 160.5 million tonnes, comfortably up from 154.4 million last year, according to Cooceal, the EEC cereal traders' organisation.

**Prices**  
If this is correct, it will mean a three per cent price cut for EEC farmers as it just tops a 160 million tonne ceiling agreed in February as a trigger for subsidy reductions.

But many analysts say member states may understate crop figures to avoid price cuts.

France is heading for a near-record wheat harvest of 29 million tonnes but this has been balanced by poor crop outlooks in Italy.

## Iran to increase oil output

EDMONTON, Alberta, Aug 12. (Reuters) Iran will increase its oil production and resume the search for new fields after it repairs the damage inflicted in its eight-year war with Iraq, a National Iranian Oil Co. official said.

The official added, however, that much of the increase may be absorbed by the domestic market and, although Iran is capable of producing more than three million barrels of oil per day (BPD), it is likely to stay within its OPEC (Organisation of Petroleum Exporting Countries) quota of 2.37 million BPD.

According to the latest Reuters production survey, Iran produced 2.3 million BPD in July.

### Facilities

"One of our main priorities will be rebuilding damaged or destroyed oil production facilities and oil shipping terminals like Kharg island," the

official, in Canada to attend an international oil conference, told Reuters.

"Then we will begin exploring for new light and heavy oil reserves to replace declining production from our larger fields."

Exploration for new oil supplies came to a virtual standstill during the Gulf war as efforts concentrated on increasing production from the country's four largest fields, which supply 90 per cent of Iran's production, said the official, who asked not to be identified.

### Threat

He said a constant threat of Iraqi attacks made exploration too risky, even in some border areas with considerable amounts of known heavy oil reserves.

Other problems were a lack of equipment and technology to interpret geological data and conduct new exploratory drilling and seismic tests.

With Iraqi air and naval attacks halted, the official stated, more production could come from oil fields offshore.

"There will be very good prospects in Iran after the war for oil companies from countries who were friendly to us," said the official.

The Kuh-e-Mond field, for example, which lies along the Gulf, is estimated to contain at least 6.6 billion barrels of heavy oil. The Zaqeh field near the port of Deilam in southwest Iran is estimated to contain at least 1.25 billion barrels of heavy oil.

Offshore, a field estimated to contain 15 billion barrels has been found halfway between Kuh-e-Mond and the Qatar peninsula to the south.

While initial exploration will concentrate on finding more light oil, which can be produced more quickly and inexpensively than heavy oil, the official said Iran would have to explore both types of reserves.

## World Business Summary

### Illegal animal trade tops \$1 billion, says UN

GENEVA, Aug 12. (Reuters) Illegal trade in threatened wildlife — from monkeys to crocodiles — is \$1 billion a year business, a United Nations official said on Thursday. Despite the busy holiday months, UN and customs officials have recently intercepted a large number of five animals and skins, Jean-Patrick Le Duc, a UN wildlife scientist, said. He belongs to a Lausanne-based secretariat which enforces an international treaty, the convention on international trade in endangered species of wild fauna and flora (CITES). Cargoes uncovered in the last 10 weeks either lacked a valid CITES export or import licence, or were accompanied by bogus permits — often remarkably good counterfeits. Individuals wanting unusual household pets — ranging from pythons to panthers to baby crocodiles — are the main buyers of exotic animals, although medical researchers are also big importers. "Total trade in wildlife is valued at about \$5 billion. We estimate between 20 and 30 per cent is illegal, or roughly \$1 billion," Le Duc said. "Sometimes when illegal shipments of animals are discovered and sent back, they return camouflaged," the Frenchman added. When a traveller arrived at Charles De Gaulle airport in Paris from Mali, customs officials found in his baggage more than 100 live reptiles — 50 pythons, 20 tortoises, 20 lizards and some Gabon vipers.

That cache was intended for sale in Europe, primarily in the Netherlands. A clandestine shipment of 2,000 endangered parrots from Gabon, grey with bright red tails, was caught in June entering Ghana, Le Duc said. Bought for about \$10 each, they were destined for sale in the United States and elsewhere at about \$600 a piece — for a profit of more than \$1 million. Two Americans and two Ghanaians were arrested, while the half-dead birds were put in a local zoo to recover before being released, Le Duc said.

### US temporarily suspends \$3.6 billion IBM contract

WASHINGTON, Aug 12. (Reuters) A government contracting board said yesterday it had temporarily suspended a \$3.6 billion contract won by IBM Corp to install a new generation of computer equipment for the US air traffic control system. The board of contract appeals of the general services administration said the suspension would last at most 45 business days while it weighs a protest against the contract filed by a competing bidder, Hughes Aircraft Co. Hughes is a subsidiary of General Motors Corp. A GSA official told Reuters such suspensions are virtually routine in the event a protest is filed. Under federal procurement law, if a contract award is protested, the government must convince the board of "urgent and compelling circumstances" for the contract to remain in effect while the protest is reviewed. In this case, the government failed to make its case, the official said. The appeals board, which has until October 7 to rule on the award of the contract to IBM, set a hearing on the protest for September 9. In protesting the award of the contract to IBM, Hughes had charged that the Federal Aviation Administration (FAA) had extended preferential treatment to IBM, that the IBM bid had failed to meet certain of the contract specifications, and that IBM's pricing proposal was "unrealistically low." The contract award, made on July 25, was the largest ever made by the Department of Transportation (DOT), of which the FAA is a part, and was the largest ever won by IBM.



## CENTRAL BANK OF KUWAIT

### ANNOUNCEMENT

For Subscription in Issue No. ( 20 ) for Treasury Bills  
Authorised by Decree Law No. ( 50 ) of 1987

CENTRAL BANK OF KUWAIT, on behalf of the Ministry of Finance of the State of Kuwait, hereby announces the offering of TREASURY BEARER BILLS in Kuwaiti Dinar for SUBSCRIPTION in compliance with the following Rules and Regulations:

#### 1. AMOUNT OF ISSUE:

The Amount of this Issue is KD 100 million distributed over THREE Denominations as follows:  
KD 50 000, KD 250 000, KD 500 000

#### 2. ISSUE DATE : 17 / 8 / 1988

#### 3. DUE DATE : 16 / 11 / 1988

#### 4. OFFERING PERIOD:

From: Sunday 14 / 8 / 1988  
To : Tuesday 16 / 8 / 1988

#### 5. ALLOTMENT: 17 / 8 / 1988

#### 6. DELIVERY OF BILLS:

After one week following the date of submitting the application.

7. The Provisions of this Issue shall be subject to the Rules and Conditions stipulated in the Announcement for Subscription in Issue No. (1) for Treasury Bills, published in the Local Newspapers of Saturday, November 21, 1987 and in the Official Gazette (Kuwait Al-Yaum) No.1746 issued Sunday, November 22, 1987.



LONDON  
(Alpha Stocks)

NAME	LAST
ABSEY LIFE	28.67
ADT LTD	141.0
ADL LTMS	421.0
AMSTRAD	222.0
ARGILL GP	185.0
ASDA GP	152.0
BAA	274.0
BIR	287.0
BAT INDS	428.0
CARCLAYS	405.0
CASS	777.0
CEAZER	179.0
BEECHAMS	481.0
BEISFORD	402.0
BLCC PLC	355.0
BLU ARM	89.0
BLU CIRC	460.0
BOC GP	412.0
BOOTS CO	233.0
BPB INDS	285.0
BR CQM	245.0
BR AIRWAY	161.0
BR AEROSP	497.0
BR GAS AG	185.0
BR GAS RT	184.0
BR LAND	342.0
BR P	258.0
S.P. NEW	59.0
S.P. RT	260.0
BURNAL DL	528.0
BURTON	226.0
CABLESWR	389.0
CADSWYR	377.0
CCATS VTY	226.0
CCM UN	67.63
CONS GOLD	990.0
COOKSONS	258.0
COURTALD	346.0
DALGETY	37.66
DEE CP	173.0
DINDON	180.0
ENTER CHINA	480.0
ENTER OIL	480.0
FBI BACK	132.0
FERRANTI	93.0
GEN ACCIO	910.0
GEN ELEC	160.0
GLAXO	952.0
GRANADA	302.0
GLOUCE	143.5
GLYNED	326.0
GRAND MET	510.0
GUARD RYL	88.00
GYN	330.0
GUINNESS	326.0
HAWESON A	623.0
HAWSON	37.61
HARRISON C	620.0
HARRISON SID	515.0
HILLSDOWN	286.0
ICI	012.0
IMI	199.4

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## World Indices

INDEX	LATEST	1/PREV-DAYS/2	PREV-OR	PREV-TR
FT 30 ORD	1484.8	1477.6	1482.1	1373.3
FT 500 SHR	1047.9	1047.9	1062.6	957.6
FT ALL SHR	957.69	957.69	971.38	870.22
FT GOV SEC	87.92	87.92	88.31	88.49
FT GOLD MH	188.9	188.9	195.0	302.1
FT NINES F	508.90	508.90	521.84	450.65
FT OIL	1223.8	1223.8	1255.0	1665.6
FT HLD DLR	125.18	125.17	126.65	115.04
FT HLD STG	109.06	109.06	111.27	90.79
FT VLD LOC	115.28	114.91	117.08	99.08

## London Stock Market Report

U.K. STOCKS MOSTLY FIRM IN LATE AFTERNOON  
LONDON, Aug 12, REUTER - SHARES WERE MOSTLY FIRM IN LATE AFTERNOON BUSINESS, WITH A MODEST SPELL OF BUTTING FOR THE ACCOUNT HELPING TO SUPPORT PRICES, DEALERS SAID.  
BY 1442 GMT THE FTSE 100 SHARE INDEX WAS UP SEVEN POINTS TO 1,542.2, AFTER A HIGH OF 1,546.1 AND A LOW OF 1,539.6 TODAY.  
GAINS OVERNIGHT ON WALL STREET AND IN TOKYO AFTER RECENT FALLS ON INTEREST RATE SPECULATION, AIDED AN INITIAL RISE IN SHARES HERE, WALL STREET PRICES FELL IN EARLY TRADING TODAY, BUT SOME DEALERS SAID THE LONDON MARKET WAS RETAINING ITS POISE, PARTLY ON BUYING FOR THE NEW ACCOUNT AND PARTLY ON EXPECTATIONS WALL STREET WILL RALLY.  
DEALERS SAID THE MARKETS HAVE SHRUGGED OFF YESTERDAY'S RISE IN U.S. BANKS' PRIME RATES, THOUGH CONCERN OVER THE POSSIBILITY OF FURTHER WORLDWIDE INTEREST RATE HIKES REMAINS.  
THEY SAID THE MARKET IS LIKELY TO REMAIN CAUTIOUS AHEAD OF IMPORTANT U.K. AND U.S. ECONOMIC FIGURES NEXT WEEK. U.S. JUNE PRODUCTION DATA DUE ON TUESDAY IS EXPECTED TO SHOW A DEFICIT OF SOME 11 BILLION DOLLARS AFTER A SHORTFALL OF 10.92 BILLION IN MAY.  
U.K. JUNE MONEY SUPPLY AND BANK LENDING FIGURES DUE ON THURSDAY ARE EXPECTED TO SHOW STRONG INCREASES, NOT HELPING OUTLOOK FOR U.K. BASE LENDING RATES, DEALERS SAID. MORE

## London Gold

PREMIER - GOLD BULLION PRICES FIRMED NEARLY FIVE DLS AN OUNCE THIS AFTERNOON, FIXING AT 453.25 DLS AN OUNCE, ON BUYING LINKED TO U.S. REPORTS OF RISING INFLATIONARY PRESSURES.  
DEALERS SAID SOME SHORT-COVERING WAS APPARENT IN LONDON AFTER COMEX FUTURES OPENED FIRM. THE EARLY STRENGTH IN NEW YORK WAS ATTRIBUTED TO NEWS THAT U.S. PRODUCER PRICES ROSE 0.5 PCT IN JULY AND EXPECTATIONS THAT CHICAGO GRAIN FUTURES PRICES WOULD SOAR AFTER THE U.S. AGRICULTURE DEPARTMENT PREDICTED MAJOR CROP LOSSES DUE TO DROUGHT.  
CHICAGO SOYBEAN PRICES OPENED UP THE PERMISSIBLE LIMIT.

## London Money Market

LONDON, Aug 12, REUTER - MONEY MARKET INTEREST RATES WERE SLIGHTLY EASIER IN LATE TRADING BUT DEALERS SAID VOLUME HAD CONTINUED AT LOW LEVELS THROUGHOUT THE DAY.  
TRADERS SAID IT WAS DIFFICULT TO READ TOO MUCH INTO THE EASIER TONE IN THE THIN CONDITIONS. THEY SAID THE MARKET REMAINS NERVOUS AHEAD OF A FLURRY OF U.K. ECONOMIC INDICATORS DUE NEXT WEEK WHICH INCLUDE MONEY SUPPLY AND LENDING DATA ON THURSDAY.  
DEALERS NOTED THE POUND WAS FIRMER AGAINST A WEAK DOLLAR AND SAID THE MARKET'S INTERPRETATION OF THE BANK OF ENGLAND BULLETIN HAD ALSO ADDED TO THE EASIER TONE. THREE MONTHS INTERBANK MONEY WAS QUOTED AT 11-1/4 1/8 PCT AFTER 11-5/16 3/16 YESTERDAY.

## Foreign Exchange

DLR	STG	DMK	FFR	FIX
1.7100/10	1.6815/25	6.3830/60		
STZ 1.7110/20		3.2185/2220	10.9115/9280	NID
DMK 1.8781/8361	3.214/228		29.390/550	FIK
FFR 5.3260/3980	10.9075/9255	338.87/9.51		FIK
SFP 1.5750/5760	2.6965/6998	83.99/79	24.64/70	1300
REL 2.1270	3.6335	112.90	33.275	FIX
EDU 1.10558	2.66726	12.0202	7.06022	CLSE
SER 1.29024	0.758296	2.44913	8.29431	CLSE
YEN 133.15/25	227.81/225.13			
SCR RATES	11/08/1988	OTHERS	12/08/1988	

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ARGILL GP	185.0
ASDA GP	152.0
BAA	274.0
BIR	287.0
BAT INDS	428.0
CARCLAYS	405.0
CASS	777.0
CEAZER	179.0
BEECHAMS	481.0
BEISFORD	402.0
BLCC PLC	355.0
BLU ARM	89.0
BLU CIRC	460.0
BOC GP	412.0
BOOTS CO	233.0
BPB INDS	285.0
BR CQM	245.0
BR AIRWAY	161.0
BR AEROSP	497.0
BR GAS AG	185.0
BR GAS RT	184.0
BR LAND	342.0
BR P	258.0
S.P. NEW	59.0
S.P. RT	260.0
BURNAL DL	528.0
BURTON	226.0
CABLESWR	389.0
CADSWYR	377.0
CCATS VTY	226.0
CCM UN	67.63
CONS GOLD	990.0
COOKSONS	258.0
COURTALD	346.0
DALGETY	37.66
DEE CP	173.0
DINDON	180.0
ENTER CHINA	480.0
ENTER OIL	480.0
FBI BACK	132.0
FERRANTI	93.0
GEN ACCIO	910.0
GEN ELEC	160.0
GLAXO	952.0
GRANADA	302.0
GLOUCE	143.5
GLYNED	326.0
GRAND MET	510.0
GUARD RYL	88.00
GYN	330.0
GUINNESS	326.0
HAWESON A	623.0
HAWSON	37.61
HARRISON C	620.0
HARRISON SID	515.0
HILLSDOWN	286.0
ICI	012.0
IMI	199.4

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(Beta Stocks)

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## International Bond Highlights

LONDON, Kellogg Co is issuing a 100 mln dlr Eurobond due September 20, 1991 paying 9-1/8 pct and priced at 101.075 pct, lead manager Goldman Sachs International Corp said. (RTYB 0811)

Frankfurt — The European coal and steel community is issuing a 54 mln bullet Eurobond with a 5-1/2 pct coupon by private placement, sole lead manager Bayerische Vereinsbank AG said.

## Interbank Rates

CALL	ONE MONTH	THREE MONTHS
LDN 10-1/2 1/4	10-13/16 11/16	11-3/16 1/8
FF 4.90/5.00	5.05/5	5.30/40
PAR 7-5/8 3/4	7-1/4 7/16	7-1/2 11/16
ZUR 1-5/8 1-7/8	3-1/8 3-3/8	3-3/4 4
BRX 5.65	6-15/16 15/16	7-1/4 5/16
ROM 9-7/8 10-3/8	10-1/2 11	11-1/2 1/2
AMS 5-3/4 6.0	5-3/8 5-1/2	5-5/8 5-11/16
TOK 3.9375 4.0000	4.1250 1875	4.1250 1875
ECU 6.87 7.12	7.31 7.43	7.56 7.68

## Interest Rates

FOLLOWING are the average K.D interest rates of local inter-bank transactions as reported by participants to Central Bank of Kuwait yesterday.

Period	Bid	Offered
1 month	6-1/8	6-1/2
3 months	6-1/8	6-1/2
6 months	6-1/8	6-1/2
1 year	6-1/8	6-9/16

## BOMBAY

	PR.CLOSE	OPEN	CLOSE	GLINDIA	57.75	56	56.50	HICO	587.50	580	580
				GNFC	47	47.50	46	MUKAND	83	81	
ACC	235	234	225.50	GRASIM	106.50	106	106	NOCIL	497.50	482.50	492.50
ASIA PAINT	165.25	157.50	161.25	GSFC	137	136	136.50	ORWAY	26	25	25
BAJAJ AUTO	268.75	267.50	261.25	HIND LEVER	68.50	68.50	68.50	PEICO	29.50	29.50	29.50
BAR. RAYON	240	232.50	235	HINDALCO	93	94	93	PFIZER	57.50	58	57
BOM.OYING	110	114.50	111	HINDCOCCA	86.25	85	86.25	PRE-AUTO	32.50	33	32
BR. BOND	85	83	85	HINDMOTOR	26.50	25.75	25.50	RAYMOND	50	49	50
BSE INDEX	600.95		600.77	IND ORG	23.50	24	23	RELIANCE	204	202	200
CENTURYSPG	892.50		880	882.50	INDRAYON	66.50	65.50	66.50	SIEMENS	70	68.50
COLGATE	221.25		220	218.75	INDROL	167.50	167.50	167.50	SPIC	50	49
DEEPAK FERT	38		38.50	37.25	ITC	43	41	42	STDMILLS	252.50	240
EL. HOTEL	49.50		49	50	JKSYNTH	66.50	65	66	TATA PMR	245	242.50
ESKAYEY	120		118.75	120	L AND T	114.50	115	114.50	TATACHEM	75	75.50
ESSAR	18.25		18.50	18	MAHINDRA	56.50	56.50	55.50	TELCO	682.50	682.50
GAR. POLY	78.50		78.50	78.50	MASTERSHR	10.40	10	10.25	TISCO	813.75	812.50
GE.SHIP	28.12		28.25	28.12	MATHER PL	46	45	46	VOLTAS	325	320

## FRANKFURT

STOCK	LAST PR-CLSE
AGE	202.4
ALLIANZ VR	1521.0
BADENWERK	183.2
BASF	261.5
BAYER	291.5
BAYER HYP	333.0
BAYER VER	338.0
BBC	304.0
BIF	412.0
BHW	491.5
COMMERZBK	224.0
CONTI GUMM	251.5
DAINER BEN	661.5
DEUTSC BKK	467.8
DLW	360.0
EDSNER 8	249.5
DT. BABCOCK	183.5
FAZ INDEX	484.10
ELWAGHLE	273.2
ERBER	299.0
HARPENR	428.0
HOCHEST AG	280.7
HOFER	151.0
HUSSEL HLD	423.5
KALI SALZ	171.3
KARSTADT	410.0
KAUFHOFF	353.1
KLOECK H	142.6
KLOECK W	0
LINDO	692.0
LUFTHANSA	138.0
MAN	198.9
MANESMAN	175.3
MERCEDES	520.0
METALLBERG	288.0
NIXDORF PF	434.5
PHILIP HLD	59.30
PHILIP RYM	599.0
PORSCHE	561.5
PREUSSAG	177.5
PVA	212.0
RHEINMETAL	283.0
RUE	227.0
RUE P	211.5
SALAMANDER	253.0
SCHERING	506.0
SEL	293.0
SIEMENS	430.4
THYSEN	151.1
VARTA	273.0
VEBA	258.4
VEW	159.4
VOLKSWAGEN	249.0

## TOKYO

STOCK	LAST PR-CLSE	STOCK	LAST PR-CLSE
AJINOMOTO	2920	DAI NIPPON	2920
AKAI ELEC	609	DAI NIPPON	2920
AKI	959	DAI NIPPON	2920
ASAHI GLS	1920	DAI NIPPON	2920
ASAHI OPT	709	DAI NIPPON	2920
BANK TOKYO	1570	DAI NIPPON	2920
BRIDGESTON	1330	DAI NIPPON	2920
CANON	1630	DAI NIPPON	2920
CASIO COMP	1270	DAI NIPPON	2920
CHUGAI PHM	1580	DAI NIPPON	2920
CITIZEN W	824	DAI NIPPON	2920
D-ICHI KAN	3010	DAI NIPPON	2920
DAI NIP IT	800	DAI NIPPON	2920
DAI NIP SC	2490	DAI NIPPON	2920
DAI NIP TO	593	DAI NIPPON	2920
DAI NIP TO	887	DAI NIPPON	2920
DAI NIP TO	1960	DAI NIPPON	2920
DAI NIP TO	2380	DAI NIPPON	2920
DAI NIP TO	950	DAI NIPPON	2920
DAI NIP TO	2070	DAI NIPPON	2920
DAI NIP TO	1830	DAI NIPPON	2920
DAI NIP TO	3140	DAI NIPPON	2920
DAI NIP TO	3760	DAI NIPPON	2920
DAI NIP TO	1800	DAI NIPPON	2920
DAI NIP TO	709	DAI NIPPON	2920
DAI NIP TO	1870	DAI NIPPON	2920
DAI NIP TO	2250	DAI NIPPON	2920
DAI NIP TO	2260	DAI NIPPON	2920
DAI NIP TO	4200	DAI NIPPON	2920
DAI NIP TO	1130	DAI NIPPON	2920
DAI NIP TO	14700	DAI NIPPON	2920
DAI NIP TO	623	DAI NIPPON	2920
DAI NIP TO	1420	DAI NIPPON	2920
DAI NIP TO	3070	DAI NIPPON	2920
DAI NIP TO	1750	DAI NIPPON	2920
DAI NIP TO	660	DAI NIPPON	2920
DAI NIP TO	725	DAI NIPPON	2920
DAI NIP TO	1950	DAI NIPPON	2920
DAI NIP TO	750	DAI NIPPON	2920
DAI NIP TO	709	DAI NIPPON	2920
DAI NIP TO	5920	DAI NIPPON	2920
DAI NIP TO	1680	DAI NIPPON	2920
DAI NIP TO	3080	DAI NIPPON	2920
DAI NIP TO	2810	DAI NIPPON	2920
DAI NIP TO	0	DAI NIPPON	2920
DAI NIP TO	909	DAI NIPPON	2920

## Tokyo Stock Market Report

TOKYO STOCKS CLOSE SLIGHTLY HIGHER IN TRIM TRADE. TOKYO, AUG 12, REUTER - SHARE PRICES CLOSED SLIGHTLY HIGHER, BUT FAILED TO HOLD ON TO MORNING PEAKS AS INVESTORS TOOK A WAIT-AND-SEE ATTITUDE AHEAD OF THE WEEKEND AND THE TUESDAY RELEASE OF U.S. JUNE TRADE FIGURES, BROKERS SAID.

"PEOPLE ARE WAITING TO SEE IF THE DOLLAR STABILIZES OVER OR NOT. THE MARKET IS VERY SENSITIVE TO THE FOREIGN EXCHANGE MARKET RIGHT NOW," SAID GEORGE AI, AN ANALYST AT MERRILL LYNCH JAPAN INC.

THE NIKKEI INDEX FIRMED 48.53 POINTS, OR 0.17 PCT, TO 27,835.51. IT GAINED 230.11 POINTS ON THURSDAY. TRADE WAS LACKLUSTRE AT 500 MLN SHARES AGAINST 600 MLN.

RISES SLIGHTLY OUTPACED FALLS BY ABOUT SIX TO FIVE. NON-LIFE INSURANCE, SERVICE, OIL, PHARMACEUTICAL, RUBBER, MINING, GAS, SECURITIES HOUSE, RETAIL AND SOME MANUFACTURING SHARES LED THE GAINS.

AUTO, COMMUNICATIONS, ELECTRICAL, PRECISION INSTRUMENT, REAL ESTATE, ROLLING STOCK, CONSTRUCTION, BANK, TEXTILE AND CHEMICAL ISSUES LED THE DECLINES.

THE INDEX RALLIED TO A MORNING HIGH OF 27,956.98, WITH STEAM CARRIED OVER FROM THURSDAY'S BUYING SPREE AND EXTRA FUEL FROM A HIGHER WALL STREET AND WEAKER DOLLAR OVERNIGHT. BUT THE INDEX THEN SPINNED DOWNWARD TO CLOSE NEAR A LOW.

A SLIGHTLY FIRMER DOLLAR DURING TRADE HOURS UNSETTLED SOME INVESTORS WHO ARE KEEPING A CLOSE EYE ON CURRENCY LEVELS AS INDICATORS OF INTEREST RATE DIRECTION.

THE MARKET TOOK THE YEAR'S BIGGEST PLUNGE ON WEDNESDAY AFTER A HALF PERCENTAGE POINT RISE IN THE U.S. DISCOUNT RATE.

"WHETHER OR NOT JAPAN RAISES ITS DISCOUNT RATE DEPENDS ON THE YEN/DOLLAR LEVEL. THE NEXT SIGN PEOPLE ARE WAITING FOR IS THE U.S. TRADE DATA DUE ON AUGUST 16," A BROKER SAID.

HIGHER RATES ARE FEARED BECAUSE THEY COULD CAUSE INVESTORS TO TAKE MONEY OUT OF EQUITIES AND MOVE IT INTO FIXED INTEREST DEPOSITS.

## Hong Kong Market Report

HONG KONG, AUG 12, REUTER - STOCKS CLOSED STEADY ON LIGHT BARGAIN-HUNTING BY OVERSEAS FUND MANAGERS WITH TRADING OVERSHADOWED BY RUMOURS OF AN IMMINENT INCREASE IN LOCAL INTEREST RATES, BROKERS SAID.

THE HANG SENG INDEX FINISHED 5.65 POINTS HIGHER AT 2,600.93 AND THE BROADER BASED HONG KONG INDEX WAS UP 3.77 TO 1,716.75. TURNOVER SLIPPED TO 524.3 MLN H.K. DLS FROM 763.3 MLN ON THURSDAY.

THE MARKET GENERALLY BELIEVES THAT THE HONG KONG ASSOCIATION OF BANKS WILL SOON RAISE INTEREST RATES BY HALF A POINT FOLLOWING RISES IN SOME U.S. PRIME RATES, BROKERS SAID.

## AMMAN

As of 10.8.88	OPNG	CLSG
ALA-ADDIN COMPANY	1.22	1.22
ARAB ALUMINUM IND.	1.59	1.62
ARAB BANK	106.0	107.5
ARAB CHEMICAL OTR	3.96	3.95
ARAB FINANCE CORP.	1.36	1.35
ARAB INSURANCE	0.94	0.90
ARAB INT. INV/TRADE	0.98	0.98
ARAB INT. UNION INS	0.94	0.90
ARAB INTER. HOTELS	0.53	0.58
ARAB JOR/INVEST/BK	2.10	2.10
ARAB PAPER CON/TRD	0.31	0.30
ARAB PHARMA/MANF.	1.90	1.92
ARAB PHARMA/CHEN	0.76	0.75
ARAB POTASH CO.	---	---
ARABIAN SEAS INS.	1.65	1.65
BANK OF JORDAN	14.70	14.80
BELGIUM INSURANCE	1.00	0.95
CAIRO AMMAN BANK	28.00	28.00
CONFECT/CHOCOLATE	1.05	1.25
QAR AL SHAAB PRESS	0.40	0.41
DAR ALADWA DV/INV.	1.51	1.53
DARCO/INVEST/HOUS.	0.51	0.51
FINANCE/CREDIT/COR	0.53	0.54
GARAGE OWNERS OFC	3.65	3.55
GENERAL INSURANCE	2.39	2.63
GENERAL INVESTMENT	1.26	1.29
GENERAL MINING.	1.31	1.33
HIMEX MINERALS	0.75	0.75
HOLY LAND INS.	1.25	1.26
IND. MATCH JENCO	0.60	0.62
INDUSTRIAL DEVLPT BK	1.47	1.47
INDUSTRIAL/CON/INVR.	1.21	1.21
INDUSTRIAL INVEST.	0.75	0.75
INTER. COM/INVR.	0.20	0.20
IRBIO ELECTRICITY	0.85	0.86
ISLAMIC INV. HOUSE	0.64	0.64
ISTERNED/PETRI/CH	1.22	1.22
J. TOUR-SR COMPLEX	0.79	0.80
JERUSALEM INS.	1.26	1.29
JO TABACCO/CIGARET	14.50	14.50
JOR CERAMIC FACTOR	1.22	1.22
JOR EAGLE INS.	25.01	25.05
JOR ELECTRIC POWER	1.58	1.58
JOR FINANCE HOUSE	0.92	0.93
JOR GLASS INDUSTRY	0.94	0.94
JOR HOTEL TOURISM	2.50	2.30
JOR INDUSTRY CHEM.	1.46	1.45
JOR INS AND FIN.	1.20	1.20
JOR LEASING CORP.	0.60	0.66
JOR LHM BRICK	0.20	0.21
JOR MANAG/CONSULT	0.50	0.50
JOR NATIONAL BANK	2.50	2.50
JOR PAPER CARDBRDS	3.05	3.07
JOR PHOSPHATE MINS	2.55	2.55
JOR PIPES MANUFACT	1.20	1.21
JOR PRESS/PUBLISH.	2.00	2.15
JOR PRINTING/PACK.	4.00	4.05
JOR ROCK WOOL IND.	0.59	0.60
JOR SECURIT CORP.	0.75	0.75
JOR SELPHO CHEM.	2.50	2.49
JOR WOOD INDUSTRY	1.10	1.10
JOR WORSTED NLL	4.60	4.60
JOR. KUWAIT AGR	1.00	1.00
JOR. PETROLIUM REF	7.38	7.40
JOR. FRENCH INS.	4.60	4.35
JOR. INV. F.H. CORP.	2.00	2.01
JORDAN GULF REAL	0.27	0.28
JORDAN DAIRY	0.98	0.98
JORDAN GULF INS.	1.25	1.22
JORDAN GULF INS.	0.94	0.95
JORDAN ISLAMIC BIK	13.85	13.90
JORDAN KUWAIT BANK	1.42	1.41
JORDAN TANNING	2.00	2.00
LIVESTOCK/POULTRY	0.72	0.71
MACH/EQUI/RENT/MAIN	0.77	0.77
MAS INDUSTRIES	0.69	0.73
MIDDEL EAST HOTEL	0.60	0.60
MIDDEL EAST INS	60.00	60.00
MINERALS RESEARCH	0.60	0.55
NAT. FIN. INVEST CO	1.80	1.80
NAT/CABEL/WIRE/MF	0.99	0.99
NATIONAL AHLIA INS	1.23	1.22
NATIONAL INDUSTRY	0.41	0.39
NATIONAL PORTFOLIO	0.67	0.68
NATIONAL STEEL	2.63	2.62
ORIENT DRY BATTERY	0.25	0.28
PETRA BANK	1.97	1.97
PETRA JOR. INS.	0.35	0.35
PHILADELPHIA INS.	0.82	0.81
RAPIA INDUSTRIAL	0.75	0.75
REAL ESTATE INV.	0.44	0.41
SHIPPING LINES	0.88	0.88
SPINNING WEAVING	0.75	0.75
THE HOUSING BANK	1.85	1.85
UNITED INSURANCE	0.94	0.94
UNIVERSAL CHEM. IND	1.67	1.49
UNIVERSAL INS.	0.90	0.81
WOOLEN INDUSTRIES	0.71	0.70
YARMOUK INSURANCE	1.05	1.05

## PHILIPPINES MAKATI

COMMERCIAL/INDUSTRIAL	BUY	SELL	OPEN	BC-A	71.00	72.00
STOCK	BUY	SELL	OPEN	LC-A	.46	.47
AC-A	9.50	9.60	9.40	LC-B	.48	.49
ANS	2.70	2.75	2.80	PK-A	.35	.36
FER-A	2.75	2.85	3.40	PK-B	.36	.37
GLO	34.00	34.50	34.00	OIL	---	---
PLDT	227.00	228.00	229.00	BP-A	.017	.018
KPSI-A	2.20	2.22	2.22	BP-B	.018	.019
SNC-A	149.00	150.00	149.00	LC-A	.0032	.0036
SNC-B	246.00	247.00	245.00	LC-B	.0034	.0036
NINING	---	---	---	OP-A	.032	.033
APX-A	.034	.035	.035	OP-B	.032	.034
APX-B	.035	.036	.036	OV-A	.032	.033
AT-A	18.75	19.00	19.00	OV-B	.033	.034

## Makati Stock Market Report

OFFICIAL INFORMATION				
SECTOR	SHARES	VALUE	AVERAGES	CHANGES
COMM.IND.	1,378,370	26,097,360	913.82	UNCHANGED
MINING	58,838,200	6,070,100	4,556.65	42.46 DN
OIL	115,200,000	1,989,980	5.584	1.64 ON
TOTAL	175,416,570	34,157,440	797.26	9.06 DN



## Inflation fears still nag

## Stock market jitters abate

LONDON, Aug 12, (Reuters): Worries about inflation and higher interest rates were somewhat abated and stock markets steadied today after sharp drops at mid-week, dealers reported.

A fall in the value of the dollar from 19-month highs was the other feature in financial markets. Gold was firmer on inflation fears as farm prices jumped because of the North American drought.

**Spending** While stock markets mostly saw this summer trade, the market's just pushing shares backwards and forwards, a Frankfurt dealer said.

At midday in New York the Dow Jones industrial average was down about one point at 2,038. New York stocks had been lower during the morning in reaction to a fall in bonds after new figures for American producer prices were judged inflationary.

To arrest inflation, by breaking consumer and business spending in a booming economy, the

Federal Reserve on Tuesday nudged US interest rates higher with a rise from six to 6.5 per cent in its discount rate.

The American Central Bank's action, and fears it would further tighten credit if necessary, triggered a worldwide drop in shares at mid-week. Investors worried that interest rates were headed up everywhere and would crimp business profits.

But the Tokyo stock market, which lost 61.5 points on Wednesday, rallied by 230 on Thursday and put on nearly 50 in today's trading to close with the Nikkei index at 27,833.51.

**Buoyed** A weaker dollar buoyed the morale of many investors in stocks outside the United States.

The dollar closed in London worth 1.8815 West German marks and 133.25 yen, down from around 1.92 marks and almost 135 yen touched earlier in the week. It was the dollar's weakest London close since August 4.

High US interest rates had attracted funds to dollar assets at mid-week but then speculators began to worry that next Tuesday's US trade figures for June might show a deficit bigger than the \$10.9 billion recorded in May.

Also, several governments issued statements saying that a stronger dollar would hurt the world economy. That aroused fears in currency markets of massive central bank dollar sales.

"It seems the dollar's current rise is a poisoned gift that we could gladly have done without," the Swiss National Bank said in a commentary today.

A strong dollar threatens inflation outside the United States, as import prices rise. Higher interest rates might be needed to deal with that and to prop up other currencies.

Meanwhile rising prices on US exports could impede efforts to narrow still-burgeoning American trade deficits.

Inflation worries drove gold prices up \$5 an ounce in London

today to an afternoon setting at \$433.25.

Higher wheat, soybean and corn (maize) prices exchange were a factor. They rose in reaction to forecasts by the US Agriculture Department on Thursday that the worst American drought in 50 years would result in major crop losses.

London shares were mostly firm in late afternoon business, with a modest spell of buying for the new account helping to support prices, dealers said.

By 1442 GMT the FTSE 100 share index was up seven points to 1,842.2, after a high of 1,846.1 and a low of 1,839.6 today.

**Rise** Gains overnight on Wall Street and in Tokyo after recent

fall on interest rate speculation, aided an initial rise in shares here.

Wall Street prices fell in early trading today, but some dealers said the London market was retaining its poise, partly on buying for the new account and partly on expectations Wall Street

will rally.

Dealers said the markets have shrugged off yesterday's rise in US banks' prime rates, though concern over the possibility of further worldwide interest rate hikes remains.

They said the market is likely to remain cautious ahead of important UK and US economic figures next week. US June trade data due on Tuesday is expected to show a deficit of some \$11 billion after a shortfall of 10.93 billion in May.

UK July money supply and bank lending figures due on Thursday are expected to show strong increases, not helping outlook for UK base lending rates, dealers said.

Scottish and Newcastle was 16p firmer at 357 on continuing speculation that Elders IXL of Australia, which raised its stake in the British brewer to 9.33 per cent from 8.92 per cent this week, may shortly launch a bid for the company, dealers said. In the same sector Bass rose 8p to 775 after 778.

## Prices volatile on American forecasts of drought crop losses

LONDON, Aug 12, (Reuters): Traders forecast higher farm prices today after the United States said its worst drought in 50 years would mean huge crop losses.

The drought has tilted world cereal stocks from surplus towards scarcity.

But after initial sharp rises in Europe and then in the big Chicago market, futures prices for wheat, corn (maize) and soybeans shed some of the gains.

Higher prices might be good for farmers but would be a dismal outlook for debt-laden Third World buyers for whom less food may now be available as aid.

**Prices** "I wouldn't be surprised to see wheat prices at \$200 a tonne by this time next year," said one London-based trader.

The price for high quality milling wheat was around \$100 a year ago. It is \$140 now.

Traders said firm indications of how prices will move emerge only when big buyers like the Soviet Union enter the market. Having held off pending the latest crop forecast by the US Agriculture Department.

This was issued on Thursday. It said the US corn (maize) harvest may drop 37 per cent this

year. Wheat output would fall 13 per cent and that of soybeans would be down 23 per cent to the lowest since 1986.

Meanwhile the UN Food and Agriculture Organisation in Rome said earlier on Thursday that the drought losses would bring world cereal stocks next year down to "the minimum level" FAO considers necessary to safeguard food security.

**Possibility** Western Europe expects a bumper harvest this year but drought has also affected China and slightly reduced estimates of the Soviet crop.

US officials see a possibility that the Soviet Union and many Third World countries may have trouble buying food in 1989.

The FAO says Third World importers may face difficulties in coming months because of possibly higher prices and lower aid shipments.

A Geneva-based trader said today: "If I were a potential buyer my personal feeling is I'd start looking now as prices may be even higher later."

The market will closely watch the Soviet Union and China, the most unpredictable buyers, and to a lesser extent India.

Just before release of the American crop figures, the Soviet Union bought soybean meal and corn for feeding to livestock from Argentina and Brazil — presumably under Kremlin leader Mikhail Gorbachev's drive to put more meat on Soviet tables.

**Buyers** But European traders said most buyers had waited for the US figures before making their moves.

Before the recent soybean and corn purchases, Moscow had been a cautious player, booking one million tonnes of US corn in July but staying out of the wheat market.

"They're shopping for quotes," a Geneva-based trader said.

Some European traders said grain prices may dip after an initial flush of buying but added that the key will be in a few weeks' time when major buyers are expected to make their decisions.

Soyoil in Europe traded today six guilders (\$2.85) higher at 126 guilders (\$60) per 100 kg. Prices for soybean for feeding to livestock rose \$5 (\$8.55) to £177 (£302.50) a tonne at the London opening call.

## WORLD STOCK ROUNDUP

SYDNEY, Aug 12, (Reuters): The share market closed higher for the first time in two days but profit-taking ahead of the weekend and nervousness about Wall Street's performance dragged prices from their highs. The All Ordinaries index was up 6.4 at 1,623.2.

**TOKYO** Share prices closed slightly higher but failed to hold on to morning peaks as investors took a wait-and-see attitude. The Nikkei index rose 48.53 to 27,834.51.

**HONG KONG** Stocks closed steady on light bargain-hunting by overseas fund managers with trading overshadowed by rumours of an imminent increase in local interest rates. The Hang Seng index was up 5.65 to 2,600.93.

**SINGAPORE** Prices closed slightly lower due to lack of follow-through buying support and profit-taking. The Straits Times industrial index fell 3.22 to 1,320.

**BOMBAY** Share prices dropped further on nervous selling when trading resumed after a day's disruption. Operators feared the exchange authorities would take drastic steps to curb speculation. Tata Steel fell 6.25 rupees to 807.

**FRANKFURT** Share firms slightly in quiet business in what was seen as a technical adjustment before the weekend rather than fundamental strength. The Dax Index rose 5.42 to 1,173.56.

**LONDON** Shares were mostly firm in late-afternoon business, with a modest spell of buying for the new account helping to support prices. AT 1442 GMT the FTSE 100 share index was up seven at 1,842.2.

**NEW YORK** Stocks steadied at lower levels in mid-morning, after falling in line with the bond market on a higher than expected "code inflation" rate in the US producer price index report. The dow was down 11 at 2,038.

## Malaysia reiterates support for OPEC

VIENNA, Aug 12, (OPECNA): The decision to maintain Malaysia's oil production at 540,000 bpd will be kept until the end of this year as the country's contribution to OPEC's market stabilization efforts, according to a senior petroleum executive.

Tan Sri Aziz Zaimul Abidin, president of Petronas, the state oil company, told OPECNA in a telephone interview today that his country would support whatever action was taken by OPEC to bring about stabilisation on the oil market.

He said that although it was decided to keep Malaysia's oil output at current levels until the end of the year, if OPEC considered a new ceiling for its overall production for 1989 Malaysia will make "the necessary accommodation."

**Flexible** Meanwhile, Petronas board chairman Tan Sri Basir Ismail was reported as saying that Malaysia was "very flexible in its cutbacks."

He also said that Malaysia, although not a member of OPEC, would continue its support for the organisation.

According to Basir, Petronas was stepping up its exploration activities in order to discover more oil reserves.

"Our present reserves will only last about 15 years at current production levels," he added.

He said that Petronas was to sign two or three more exploration contracts with foreign firms this year and also plans to diversify more actively into the downstream sector and other oil-related activities to offset lower crude prices.

## Athens share market heads for its big bang

ATHENS, Aug 12, (Reuters): Reforms echoing London's recent "big bang" promise a shake-up in the Athens Stock Exchange which used to have a reputation as just about the slowest in Europe.

Exchange president Christos Theodorides has resigned over the changes.

But the government has gone ahead and pushed through legislation which, like the London reforms of 1986, opens up the market to new players including banks.

**Requirements** "This law is wide-ranging and initiates changes which are wider and more advanced compared with those that are taking place in countries such as Portugal, France, Spain and Italy," the architect of the bill, Professor Zannis Res, told Reuters.

The reform will end a monopoly of 32 brokers who now control all dealing on the old-style open outcry floor in a neo-classical building in central Athens.

A parallel market will be formed for firms which cannot meet listing requirements for the exchange. A new central depository will speed transactions and the exchange will be computerised.

Deputy Economy Minister Theodore Karatzas said reform was needed to attract business.

Greece had to look ahead to 1992 and be able to compete when the European Economic Community scraps all remaining barriers to the movement among members states of goods and capital, he said.

**Provisions** Theodorides, however, in a statement explaining his resignation, disputed government claims that the changes will also open up the market to public scrutiny.

He said the new bill "directly offends vital matters concerning the institution of the share market."

"... It includes provisions which offend the transparency of

share market transactions and allows the formation of prices secretly and according to the wishes of the newly created security companies."

The market, founded in 1876, has 19 companies listed, none foreign, and capitalisation of 1,856.2 billion drachmas (\$1.25 billion). Daily turnover is worth around \$1.7 million.

Many listed companies retain strong family shareholdings with tightly held scrip and most prefer to raise money through banks rather than new stock.

Banks will now be allowed to operate as full members of the exchange.

**Will** "Some banks, foreign and domestic have expressed a will to create stock market companies and they are bound to dominate the market," an investment consultant said.

The banks, with their mutual and investment funds and bigger resources may then sweep out traditional brokers among whom the reforms have caused

considerable bitterness.

"Instead of any gradual development the doors will be opened suddenly with no time for the brokers to adapt," one said.

Analysts say the legislation fails to put restrictions on banks using internal information to help their stock market activities, despite provision against insider trading.

**Movement** Having slumbered for years, the Athens market revived late in 1986 when a presidential decree permitted free movement of capital investment in market by EEC members.

Higher company profits in banking and textiles also attracted interest.

The market did not fall quite as hard as some during last autumn's global crash when the government suspended trading for four days. But it has remained quiet since late last year.

The general index stands around 285, up from 275.35 at the start of this year.

## Joint banking committee proposed for Iran and UAE

ABU DHABI, Aug 12, (AP): Iran on Thursday proposed setting up a joint banking committee with the United Arab Emirates as UAE bankers disclosed they have already started preparations to finance reconstruction projects in post-war Iran and Iraq.

Majid Qassemi, governor of the Iranian Central Bank, currently visiting the UAE, made the proposal at a meeting with his UAE counterpart Abdel Malek Al Hamar, according to a report by the Emirates News Agency WAM.

**Operation** "The meeting discussed means to develop economic and banking co-operation between the two countries," the UAE official news agency said. The joint banking committee was proposed as a means of "increasing banking cooperation," it said.

Among the non-combatant states of the Gulf littoral, the UAE was the one that maintained traditional close economic and political ties with Iran even though the state was widely held responsible for the continuation of its war with Iraq.

Bankers in the country of seven federated emirates, led by Abu Dhabi and Dubai, told the Associated Press that they have

wasted no time in considering finance for reconstruction projects in both Iran and Iraq once Tehran announced on July 18 that it would accept UN moves to end its 8-year-old conflict with Iraq.

The bankers said it was early to go into details, but one of the sources said: "Once the war is over, and we know the money will go into civilian profitable projects, we will start financing the reconstruction of both countries."

The UAE and other neighbours of Iraq and Iran in the oil-rich Gulf are among world countries with the highest per capita incomes despite the drop in oil prices in recent years. The instability on the world oil market has been partially at least attributed to the Gulf war.

Banking and official sources in Abu Dhabi, all speaking on condition they not be named, refused analyses that peace in the Gulf would lead to a drop in oil prices. They based their views on the theory that Iraq and Iran needed to pump more oil to finance arms purchases during the war than they will need to finance reconstruction afterwards.

"In the short term, yes, a drop might take place, but in the long run, no, it will be in the benefit of the oil exporting countries in the

region," a source said.

Meanwhile the Saudi Arabian newspaper Al Sharq Al Awsat, reported from London, quoted a "high-ranking Arab oil source" as indicating that Iraq and Iran would be able to count on substantial financial assistance from their sisters in the Organisation of Petroleum Exporting Countries if they helped OPEC stabilise the world oil market.

**Quote** To date, Iraq refuses to accept a production quota from the 13-member organisation unless equated with Iran's and Iraqi oil production is almost double what is prescribed within OPEC efforts to raise prices to \$18 a barrel. Iran on the other hand is widely accused of discounting OPEC's benchmark price.

The Saudi paper quoted the unnamed source as saying OPEC secretary-general Subroto will be visiting Baghdad and Tehran "to convince them of the necessity of co-operating with the rest of the organisation member states."

The source added: "Member states of OPEC will not hesitate to bolster each of Iraq and Iran — since they are members of the organisation — to help them overcome the economic crisis in which the war has placed them if the commitment to OPEC decision is achieved."

## Poland debt talks brighter after Japan deal

LONDON, Aug 12, (Reuters): Poland has made an important breakthrough in negotiations to cut interest payments on \$9 billion of trade-related debt owed to major creditor nations, British bankers said on Thursday.

An unexpected Japanese decision on Monday to approve Tokyo's segment of a Paris Club rescheduling accord could speed up talks between Poland and other members of the informal group of Western creditor states, particularly Britain, the bankers said.

"We were surprised to see Japan go first, because it's among the most cautious of Paris Club members," one said.

**Loans** The Paris Club meets, usually in the French capital, to reschedule loans members have made to developing countries which are no longer able to repay on schedule.

The British bankers said Japan's move could encourage negotiations with Britain, particularly ahead of a scheduled visit to Poland in October by Prime Minister Margaret Thatcher, the first such trip by a British premier.

This island's robust economic growth also is viewed as a key factor behind the rising share prices. But analysts note Taiwan's economic performance appears to be slowing and should not have boosted the market to such heights.

## New credit from Japan

BAGHDAD, Aug 12, (OPECNA): Iraq is to receive new banking credit from Japan to help finance development projects under an accord reached here.

The agreement, which was signed by Iraqi Trade Minister Mohammed Mehdi Saleh and Japanese Ambassador Taizo Nakamura, comes just one week ahead of a visit here by Japanese trade officials for talks on expanding bilateral co-operation.

Japan, which is one of Iraq's leading economic partners, has many firms engaged in development projects here.

## GIB announces profit increase

MANAMA, Bahrain, Aug 12, (AP): Gulf International Bank, wholly and equally owned by seven Gulf governments, announced on Thursday that it achieved an after-tax profit of \$25.4 million for the first six months of this year.

GIB, an international merchant and commercial bank, said in a press statement the profit represented an increase of 14.3 per cent over the unaudited interim results for the comparable 1987 period.

**Loan** Abdullah H. Saif, chairman of the bank's board of directors said that the half-year results reflect an improvement in earnings "through sustained penetration of trade finance markets and a strong performance from treasury operations."

After a deduction for loan loss provisions, interest and fees on loans amounted to \$179.5 million, an 11.8 per cent increase on the prior period, while net interest, fees, and other operating income rose by 7.5 per cent to \$22.6 million, the statement said.

GIB is the second largest offshore banking unit in Bahrain, the central Gulf state that developed into a major offshore banking center in the oil price heyday of the mid-1970s. The Gulf region sits on about a third of the world's proven oil reserves.

Strict budgetary controls contributed to a reduction in total expenses of just over 1 per cent compared to the previous period, it said.

The statement was issued after the results were reviewed by the bank's board of directors meeting at the GIB headquarters in this Gulf island state.

GIB has branches in London, New York and Singapore, with representative offices in Tokyo and Frankfurt. It was established in 1975 with authorised capital of \$265 million by the governments of Bahrain, Iraq, Kuwait, Qatar, Saudi Arabia, Oman, and the UAE.

**Assets** Until June 30 this year, the total assets were 8.8 billion and shareholders' equity amounted to \$394 million.

The bank's capital resources will be strengthened further by a capital increase of \$111.4 million to be issued, subscribed and paid-in before the end of the year, the statement added.

GIB is the second largest offshore banking unit in Bahrain, the central Gulf state that developed into a major offshore banking center in the oil price heyday of the mid-1970s. The Gulf region sits on about a third of the world's proven oil reserves.

## Bankers discuss economic ties

ABU DHABI, Aug 12, (OPECNA): United Arab Emirates Central Bank Governor Abdul Malik Al Hamar met with Iranian counterpart Majid Qassemi here on Thursday to discuss economic co-operation between the two countries. Al Hamar said after the talks that discussions had also covered joint banking issues. He pointed out that Qassemi had proposed the formation of an Iran-UAE banking committee to strengthen co-operation and boost exchange of expertise. Qassemi was also due to meet high-ranking officials of the UAE banking sector to discuss means of strengthening ties.

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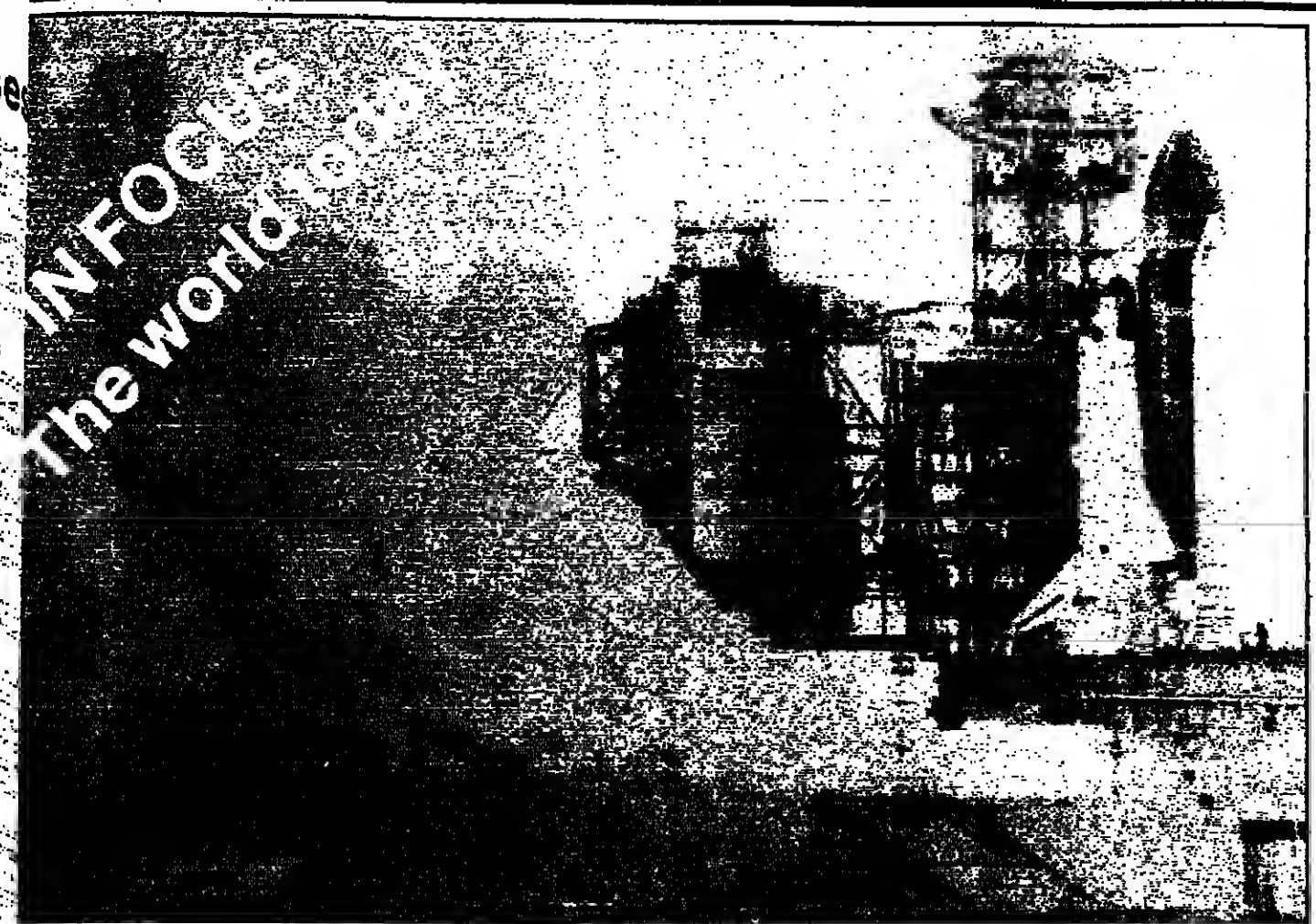
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	£ Pnd	US \$	DM	Yen
6 months & above but less than 1 year	11.25	9.00	5.75	5.25
1 year & above but less than 2 years	11.50	9.50	6.00	5.50
2 years & above but less than 3 years	11.75	9.75	6.25	5.75
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ملكا عربيا



THE space shuttle Discovery's three main engines roar to life during a 22-second test on Wednesday, 11 days after they were originally scheduled to be tested. (Reuter wire photo)



ARAB women dressed in traditional gowns bathe in the Mediterranean Sea on a beach in the occupied Gaza city. (Reuter wirephoto)



THE crowning jewel of this week's Taiwan invention exhibition is the 'pro-bidet' — a futuristic computerised toilet accessory that uses alternating jets of water and air to make toilet paper obsolete. (Reuter wirephoto)



NEW Thai Prime Minister Chatichai Choonhavan prays at Government House before he takes over the job from his predecessor Prem Tinsulanonda. (Reuter wirephoto)



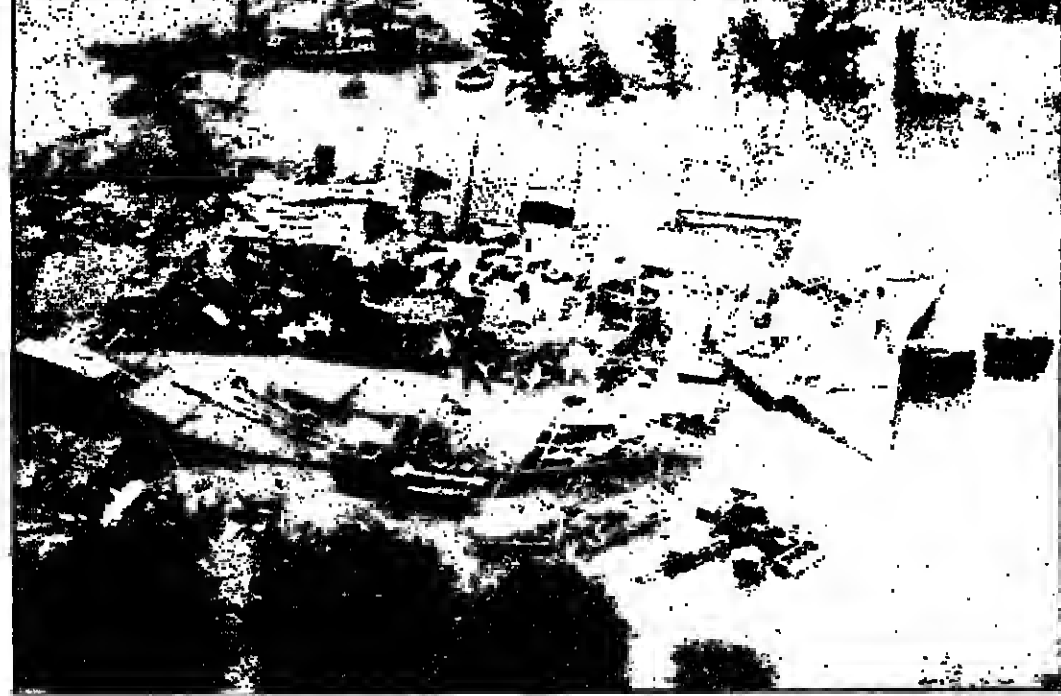
CUBAN leader Fidel Castro talks to a crowd as he arrives at the museum of Ecuadorian artist Oswaldo Guayasamin. (Reuter wirephoto)



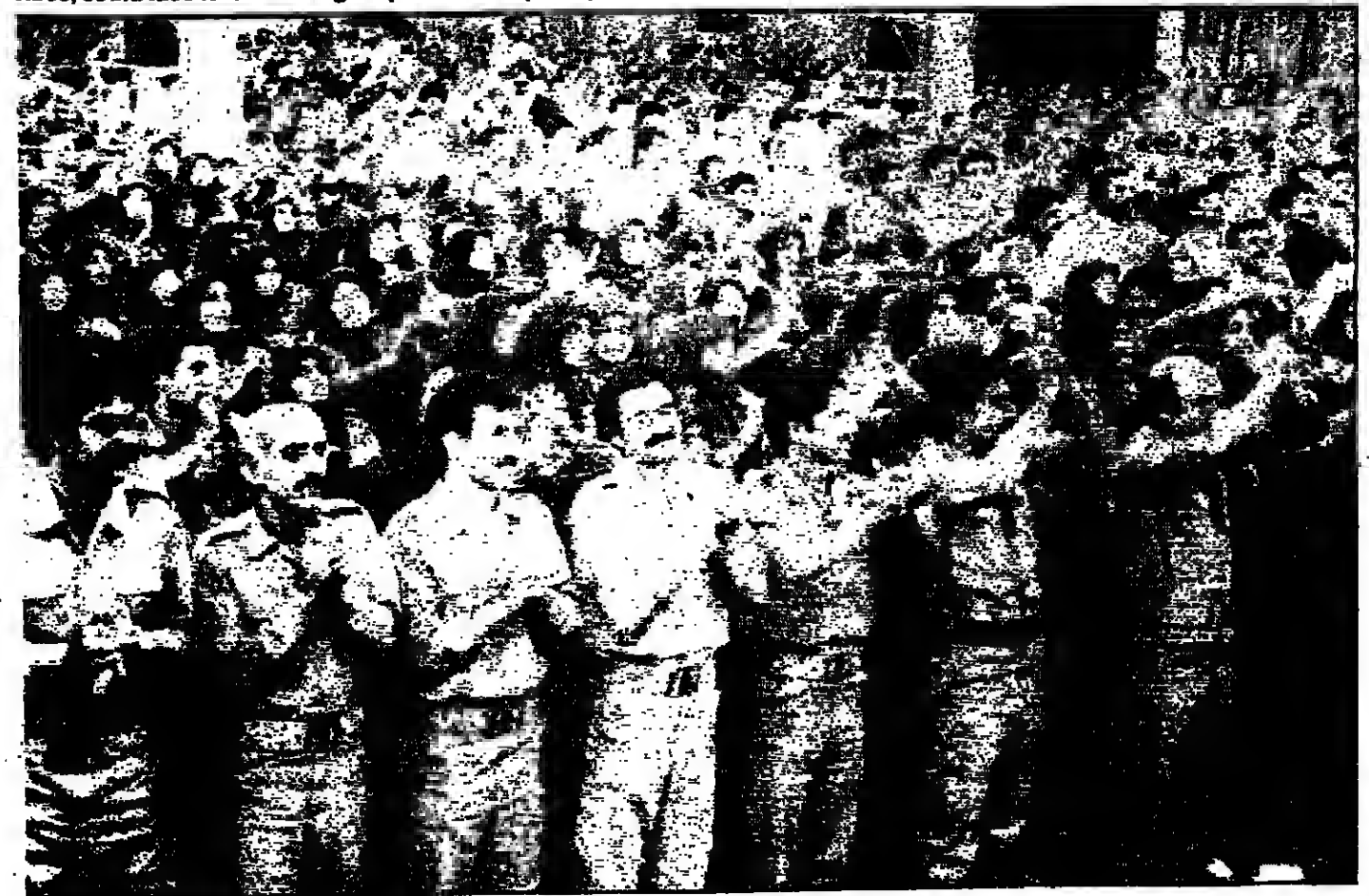
FORMER Hong Kong Stock Exchange chairman Ronald LJ leaves a court in Hong Kong after hearing that he and seven colleagues, already accused of accepting bribes, could face further charges. (Reuter wirephoto)



JOHN GHANNAN holds a picture of his brother Edman who was killed in the village of Beit Sahour recently as 11 Israelis and Palestinians who have lost relatives in the Arab-Israeli conflict issued a joint peace appeal. (Reuter wirephoto)



A FAMILY sifts through the debris of their ruined home inundated by flood water which hit the Sudanese capital last week. (Reuter wirephoto)



HUNDREDS of supporters of Massoud Rajavi, commander of the National Liberation Army of Iran, celebrate the ceasefire in the eight-year Iraq-Iran war. (Reuter wirephoto)



SOUTH KOREAN radical students set ablaze helmets and uniforms seized from riot police during a protest against a government ban on their plan to meet North Korean students in the border village of Panmunjom. (Reuter wirephoto)



# ARAB TIMES Classifieds

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IN Hawalli, near Dr. Nawgiri's Clinic. One room with water and electricity for an Indian couple or 2 ladies. Bus routes 103, 18, 17. Rent KD60. Tel. Mrs. Elizabeth Rodrigues, 2412378. (AT6-43479-3)

FARWANIYA, near the Holiday Inn. One bedroom with electricity and water preferably for a Filipino couple, for immediate possession. Tel. 2420721, 2438180/3 ext. 321, 8 am - 5 pm. (AT5-43469-3)

SALMIYA, near Salmiya educational centre. Accommodation for one Indian bachelor to share with other bachelors. Bus routes 15, 24, 30, 519, 19. Tel. 5749750, 4-9.30 pm. (AT1-43491-3)

SALMIYA, opp. Masjid Zaban, with tile, facilities for an Indian Muslim bachelor to share with another Muslim bachelor. Bus routes No. 30, 19. Rent KD 45. Tel. 5617934, 8 am - 1 pm, 5 - 9 pm. (AT5-43466-3)

## FOR SALE

### Miscellaneous

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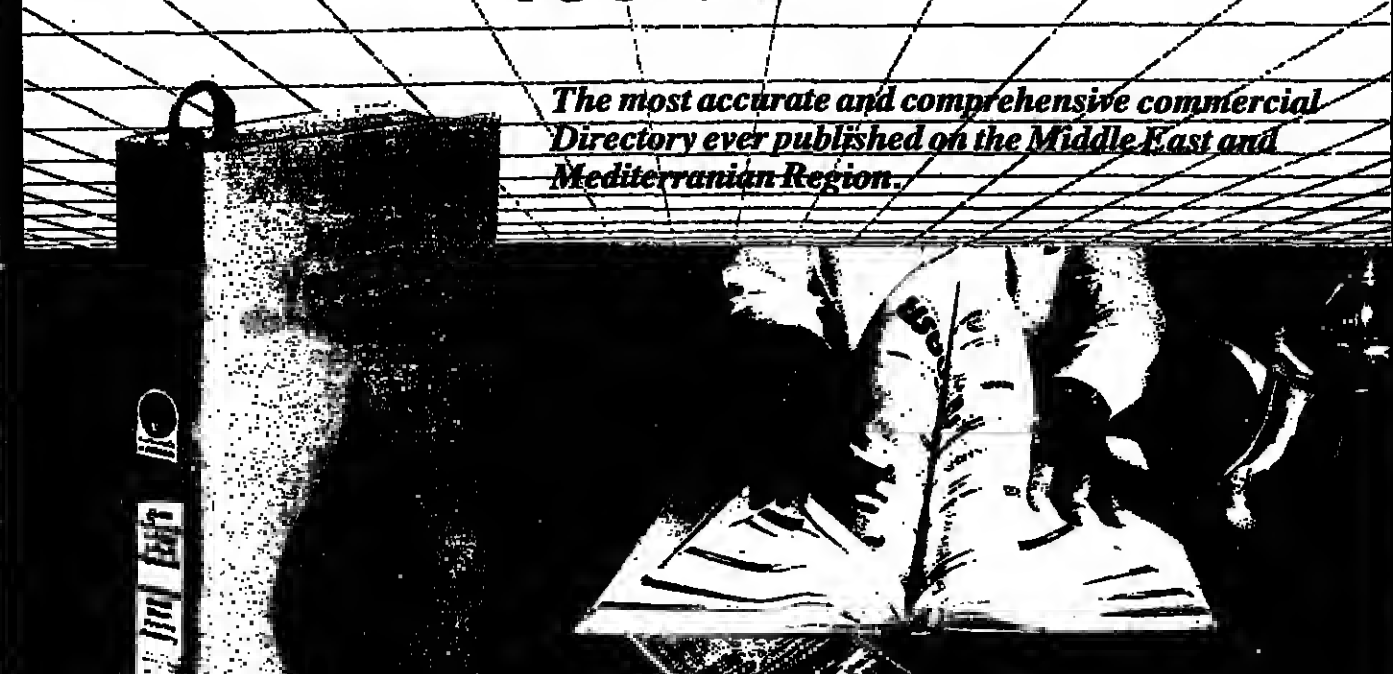
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## Reds rally to edge past Dodgers

NEW YORK, Aug. 12, (AP): It sounded as if the Cincinnati Reds had just won the pennant. They didn't but they might have taken the biggest step toward making a run in the National League West.

The Reds entered the bottom of the ninth inning down 8-6 to the Los Angeles Dodgers, who lead the division. Eric Davis led off with a single and stole second. Paul O'Neill singled for his fourth hit of the game and Jeff Reed singled home Davis. O'Neill scored on Jeff Treadway's sacrifice fly.

In the 10th, Kal Daniels singled, moved up on a groundout and scored the winning run on Davis' single off Dodgers ace reliever Jay Howell.

Cincinnati, which took two of three games with Los Angeles, now trails the National League West leader by six games.

San Francisco won a series from Houston for the first time in seven tries, taking two of three, both on shutouts. After Don Robinson one-hit Houston the previous night, Altee Hamaker pitched a five-hitter. Will Clark, who is 6-for-10 against Nolan Ryan this season, and Kevin Mitchell hit consecutive homers.

The Mets were in danger of being swept by the Cubs in a three-game series at Wrigley Field for the first time since 1980. Then Kevin McReynolds sent a rich gossage pitch over the center-field wall for a Grand Slam, capping a five-run rally in the ninth inning.

### Stayed

Doug Drabek got his sixth consecutive victory as the Pirates stayed five games in back of the Mets in the East. Montreal, which opens a four-game series in New York this evening, is 6-1-2 behind.

Ricky Jordan's one-out double in the bottom of the ninth inning scored Chris James with the game's only run and the Phillies beat the Cardinals 1-0.

And the Braves snapped a four-game losing streak as Atlanta rookie Terry Blocker, batting only 130, drove in his first Major League run with a seventh-inning triple.

With two outs in the ninth inning last night, the Cleveland Indians treated the baseball like a hand grenade and turned a 3-1 victory over the Texas Rangers into a 3-4 loss.

Cleveland had a two-run lead with two outs and none on. Geno Petralli's ground ball went through shortstop Ron Washington for error one. Oddie McDowell singled to right and Curtis Wilkerson loaded the bases on a fielder's choice grounder to Washington, whose throw to second was too late to force McDowell.

Steve Buechele then bounced a grounder in front of the plate that Jones grabbed and threw past first, letting three runs score on error two. Buechele went to third as catcher Andy Allanson made error three.

Cecil Espy's grounder skipped past Washington for error four, allowing Buechele to score for a 5-3 lead.

### Results

American League	Win	Loss	Saves
Milwaukee	6	Boston	0
Toronto	6	New York	0
Texas	5	Cleveland	4
Kansas City	6	Baltimore	3
Chicago	6	Seattle	3
Oakland	7	California	2
National League	Win	Loss	Saves
Philadelphia	9	St. Louis	0
New York	9	Chicago	0
Atlanta	2	San Diego	1
Cincinnati	9	Los Angeles	1
Pittsburgh	6	Montreal	1
San Francisco	6	Houston	0

## WOODFORDE UPSETS ANOTHER SEEDDED PLAYER

# Lendl hurries into quarterfinals

TORONTO, Aug. 12, (Reuter): Ivan Lendl got a speeding ticket on his way to the tournament and then hurried through his match against American Jay Berger at the Canadian Open tennis championships yesterday.

The top-seeded Lendl took a little time getting into gear but then he raced to a 6-3 6-0 win that put him into quarterfinals.

Lendl was joined in the quarters by Americans Jimmy Connors, John McEnroe, Kevin Curren and Tim Mayotte and the Australian trio of Pat Cash, Mark Woodforde and John Frawley.

### Trouble

The top-ranked Czechoslovakian lost nine of the first 10 points in the battle of baselines before overpowering Berger. "I had some trouble getting my timing down in the first set, but in the second I felt the balls carried better and I was hitting closer to the line," said Lendl, who lost only seven points in the second set.

Lendl had a little timing trouble getting to the tournament as he was hit with a speeding ticket for driving about 30 kph over the limit.

Lendl, who was travelling 79 kph in a 50-kph zone, was fined \$40.



Lendl: crushed Berger

"I never go 50," said Lendl, who gave the ticket to tournament director John Beddington.

John McEnroe, the eighth seed, beat fellow-American Derrick Rostagno 6-3 6-2 but not before lashing out twice at officials.

"Once the officials make a mistake, it always pays to make your point," said McEnroe.

## Gilder takes one-shot PGA lead

EDMOND, Okla., Aug. 12, (Reuter): American Bob Gilder, who opened with a course record 66, held a one-stroke lead over four other players after the opening round of the American PGA Championship yesterday.

Gilder, who races sports cars for a hobby, toured the 7,015-yard Oak Tree Golf Club course in five under par, knocking two shots off the 11-year-old course's competitive record.

He was one stroke ahead of Nick Faldo of Britain and fellow-Americans Paul Azinger, John Cook and Chip Beck.

### Behind

Australian Greg Norman, playing his first tournament since his wrist injury in the US Open in June, and two-time PGA champion Raymond Floyd were among seven players another shot behind.

"I look forward to golf courses that are difficult. I enjoy a tough test," the 37-year-old Gilder said after taming one of the toughest courses in this country, a water-filled layout designed by Pete Dye.

Faldo, who was second in the US Open and third in the British Open this year, might have bettered Gilder's record — if he could only putt.

The 1987 British Open champion hit every green in regulation — "If you give me a couple of inches on 17," — but he could drop only five putts for birdie.

By his own estimation the 31-year-old Briton missed 10 putts of 15 feet or less, including one from three feet, another from our feet and two from six feet.

"It was my fault. There was nothing wrong with the greens," he said. "My stroke didn't feel quite so good today."

Faldo and the 31 other golfers who broke par — tying the championship record — had mother nature to thank for much of their success. There was ooze of the strong winds for which Oklahoma is famous.

"From what I heard about the Oklahoma wind, today was perfect for golf," Azinger said after he just missed the record by one shot.

"It is probably the hardest golf course in the world when the wind blows," Azinger, who finished second to Faldo in last year's British Open, said.

Azinger, who inexplicably hurt his back playing last week, was delighted with his 67. He was afraid he would not be able to play here, but his pain went away as quickly and mysteriously as it came.

Both he and Cook made six birdies and two bogeys to keep within one shot of Gilder, whose bogey-free round included five birdies. Beck kept pace with five birdies and one bogey.

Cook, who said, "two feet has been my range recently," gave himself four birdie putts of six feet or less. "I was pleased with my iron game," he said.

Norman, who had not played since aggravating an old ligament tear in his left wrist in June, was delighted with his first competitive round in seven weeks, which included four birdies and one bogey.

"I am very, very happy and excited about coming back and performing well," he said. "Today's 68 gave me a tremendous boost in confidence. I feel great about the next three days."

### Bother

Norman, who was second in this major championship two years ago, said his wrist did not bother him at all. "That was another good thing about today," the 1986 British Open champion said.

He was joined at 68 by fellow-Australian Peter Senior, playing in his first PGA championship after finishing in the top 10 in the British Open last month.

## WBC authorises dual title fight

MEXICO CITY, Aug. 12, (Reuter): The World Boxing Council (WBC) said on Wednesday it had authorised a dual title fight between American Sugar Ray Leonard and Canada's Don Lalonde.

In a statement the WBC said it had agreed to allow the pair to fight a single bout for its newly-created super-middleweight title and Lalonde's light-heavyweight crown. It did not say where or when the fight would be staged.

If Leonard, 32, wins he will be the first boxer to have held world titles in five divisions. He has

been world champion in the welterweight, junior middleweight and middleweight divisions.

Thomas Hearns, another American, is also seeking a fifth title against World Boxing Association super-middleweight champion Fulgencio Obelmejias of Venezuela in Las Vegas at the end of October.

### Boost

Leonard had not fought since announcing his third retirement after beating compatriot Marvelous Marvin Hagler in April 1987 for the middleweight crown.

"The WBC considers it an obligation to collaborate with all boxing functions that can boost public interest and the current conditions of the sport," the WBC statement said.

A WBC spokesman said the winner of the fight would have to abandon one of the titles shortly after the fight due to council regulations barring dual title holders.

The WBC said there had been two previous occasions when two titles had been contested in a single fight.

### Tyson bout

LONDON, Aug. 12, (Reuter): Mike Tyson will defend his undisputed world heavyweight title against Britain's Frank Bruno in London on October 8, said joint promoter Jarvis Astaire yesterday.

"He stated personally today that he would be there. We have agreed on it," said Astaire, who is also deputy chairman of Wembley stadium, venue for the fight.

Two weeks ago Tyson settled his contract dispute with manager Bill Cayton and said he was taking a six to eight-week break from boxing. He refused to meet Bruno on September 3, the original date set for the bout.

## Biondi breaks 100-metre freestyle record



Biondi raises his arm after breaking his own world record. (Reuter photo).

AUSTIN, Texas, Aug. 12, (Reuter): Matt Biondi broke his own world record in the 100-metre freestyle at the US Olympic swim trials on Wednesday night to qualify for his third individual event for the Seoul Games in as many attempts.

Biondi, 22, shaved 32/100ths of a second off his own world record to win in 48.42 seconds.

Another American world record holder, Janet Evans won her second event of the meet in the 400-metre freestyle with a time of 4:06.43. Earlier in the week she won the 400-metre individual medley.

### Qualified

Biondi, who will try for seven medals in Seoul, has already qualified for the 100 and 200-metre freestyle, the 100-metre butterfly and three relays — the 4x100-metres and 4x200-metres freestyles and the medley relay.

"I don't think I can say I expected to do it, but based on my performance of this morning (48.99), I felt confident I could come close or surpass it," said Biondi.

"It's not like you know for sure you're going to break it, you just stay optimistic. If it was going to happen, it was going to happen tonight," he said.

"It took a couple times for it to register, when I looked up at the scoreboard," Biondi said. "It was such a great sight. I wanted to see it as many times as I could

before I got out of the water."

American record-holder Rick Carey, 25, who won three gold medals at the 1984 Olympics, failed to make the finals of the 200-metre backstroke.

Carey, who set the American record of 1:58.86 at the 1984 Olympic trials, finished 20th in 2:05.37.

Olympic goal medalist Rowdy Gaines' attempt to make his third Olympic team at age 29 failed when he finished seventh in the 100-metre freestyle in 50.21.

Mary Meagher became only the fourth swimmer ever to earn a spot on three US Olympic teams by finishing second in the 100-metre butterfly at the trials yesterday.

Meagher, 23, the world record holder in the event, timed 59.82 seconds to finish behind Angel Myers who won in 59.77 at the University of Texas Swim Centre.

The Kentuckian's showing allowed her to join a select group including Eleanor Holm (1928, '32, '36) Jill Sterkel (1976, '80, '84) and Susan Rapp (1980, '84, '88).

"I was concerned I might not make the team," Meagher said. "I just kept thinking stretch and push. It's the same thing I thought about when I was 12 years old."

Three American records fell during the session.

"Matt Cetlinski broke the American record in the 400-

metres freestyle in three minutes 48.06 seconds. Dan Jorgensen, who had held the US record of 3:49.41, was second in 3:50.10.

"I'm really happy to get this record," Cetlinski said. "It took me a long time to get it."

Nineteen-year-old Mike Barrowman, born in Asuncion, Paraguay but now living in Rockville, Maryland, broke the US record in the 200-metre breaststroke by 1.2 seconds with a time of 2:13.84 in the morning preliminaries and came back to swim the identical time in the championship final.

"I was very surprised, very, very surprised," he said. "I didn't expect any of this to happen."

### Idea

"I was very surprised by the swim," Barrowman said. "I had no idea that I was anywhere near that time. I still can't believe it."

Barrowman, who trained with the Hungarian national team this past summer, would not let himself get carried away.

"I don't see myself winning the gold in Seoul," Barrowman said. "Not against Josef Szabo. I'd like to be able to race him, but I've seen him train and race and he's unbeatable."

Native Canadian Tracey McFarlane, who became a US citizen in May, won her second event, the 100-metre breaststroke in an American record of 1:08.91 — the fastest time in the world this year.



Evert: reaches quarterfinals

## Sabatini and Evert thrash opponents

LOS ANGELES, Aug. 12, (Reuter): Top-seeded Chris Evert and third seed Gabriela Sabatini coasted into the quarter-finals in straight sets, while 15-year-old Amy Frazier continued her upset streak at the Los Angeles women's tournament yesterday.

Frazier, an amateur, upended fellow-American Gretchen Magers, the 12th seed, 6-4 7-5 to advance to the quarterfinals against fifth-seeded compatriot Zina Garrison. Frazier eliminated second-seeded Pam Shriver in the second round.

### Accurate

Evert routed 13th-seeded Halle Cioffi of the US 6-2 6-0, while Sabatini used accurate passing shots to foil the net play of Britain's Sara Gomer on her way to a 6-2 6-4 victory.

Evert, third in the world, repeatedly forced errors from the

19-year-old Cioffi with her steady groundstrokes in the first set and allowed the teenager just four points in the entire second set.

Playing in her first tournament since Wimbledon and since her July 30 wedding to Andy Mill, Evert said that she still trains hard and has goals she has not attained.

"Today, I played about as well as I could have expected," Evert said. "I am still practising an hour a day and doing aerobic exercises. I also still have goals to achieve that I don't want to share with a million people."

Sabatini, fifth in the world, raced to a 3-0 lead against Gomer and never trailed in the match.

Gomer managed to level the second set at 4-4, but Sabatini held her serve in the ninth game and broke Gomer at love with three backhand returns in the final game.

## Elliott retains overall lead

STOKE ON TRENT, England, Aug. 12, (AP): Belgium's Pol Verschuere ended a winless streak when he won the morning leg of the fourth stage of the Tour of Britain cycle race today. But Britain's Malcolm Elliott held the overall lead.

Verschuere broke clear of Freochman Jean-Marc Manfrin in the final 250 metres after they had shared the lead for 40 miles on the 57-mile race from Liverpool.

The 73 riders were continuing to the central English city of Bir-

mingham later today for the second leg of the stage.

Verschuere, who had his third Tour de France stage win in 1986, was depressed by his poor season. But he said manager Jos de Cauwer had assured him that his time would come.

"This victory was sweet," Verschuere, 32, from Kortrijk, said.

With the Belgian and Manfrin some 20 minutes adrift of the race leader, however, they were considered little danger to Elliott even when their lead rose to more than 10 minutes.

## South Korea welcomes IOC proposal

SEOUL, South Korea, Aug. 12, (AP): South Korea welcomed today the International Olympic Committee's latest attempt to persuade North Korea to enter the Summer Games in Seoul.

"We are still very anxious to have their participation," said Shin Hyon-Ung, director general of international press for the Seoul Olympic Organising Committee.

Yesterday, the IOC urged communist North Korea to demonstrate its desire for Korean unity and reconciliation by entering the Olympics, being staged by its rival, South Korea.

In a letter to both Koreas, IOC president Juan Antonio Samaranch proposed that the North and South Korean teams march side by side in the opening and closing ceremonies, each carrying its own flag, while a single Olympic flag would precede the overall Korean group.

Samaranch described this as a "highly symbolic event" that would demonstrate a "strong desire for dialogue and reconciliation."

"If North Korea accepts the IOC offer, it would be a very good idea to march in parallel with North Korea in the opening ceremony," Shin said.

### Position

He added, "The most important thing is having their participation."

Kim Chong-Ha, president of South Korea's Olympic Committee, said the side-by-side march proposal "completely coincides with the position of the (South) Korea National Olympic Committee as well as the meaning of the Seoul Olympic Games and the national aspiration."

Kim received the South's copy of Samaranch's letter.

North Korea is one of six nations that have not accepted invitations to the Olympics in Seoul. The others are Cuba, Ethiopia, Nicaragua, Albania and the Seychelles. A record 12,000 athletes from 161 nations are expected to compete in Seoul.



Lawson: takes the chequered flag in an earlier race this season.

## Lawson confident ahead of Swedish Grand Prix

ANDERSTORP, Sweden, Aug. 12, (Reuter): World motorcycle racing champion leader Eddie Lawson of the United States will have history on his side on Sunday when he bids at the Swedish Grand Prix to extend his lead in the 500 cc title chase.

For the ice-cool Californian, 20 points ahead of Australian world champion Wayne Gardner, has put together an impressive record over the years on the tight Swedish track.

### Clinched

"I have great memories of Anderstorp. It was here I clinched my two earlier world championship titles, in 1984 and 1986," said Lawson, whose Yamaha last year finished only 2.20 seconds behind Gardner's winning Honda.

Lawson, 29, also held the southern Swedish track record until last year, when compatriot Freddie Spencer, the 1983 and 1985 world champion, clocked a practice lap time of one minute 36.38 seconds.

With only four races now left on the calendar, the battle for the world title is heating up between Lawson, Gardner and third-placed American Yamaha rider

Wayne Rainey, competing in his first 500 cc season.

Lawson has notched 195 points. Gardner has 175 and Rainey, fresh from his first 500 cc world championship success in the British Grand Prix at Donington Park last week, is still well in contention with 163.

With 20 points going to the victor, Gardner can catch Lawson with a single win, throwing the world title wide open as the riders approach the season's final stages.

"It is going to be tough right up to the end of the season this time. But I am still an optimist," Lawson told reporters.

### Probably

The short straights on the 4.03-km Anderstorp circuit, requiring massive acceleration from the riders, will probably favour the Honda team, but Lawson is unlikely to let Gardner capitalise on that advantage.

Off the track, preparations for this year's Swedish race have been fraught with as much tension as can be expected from the competition itself, the organisers only just managing to keep the event on the calendar.



## SPORTS

## SPORTS BRIEFS

## Appeal dismissed

LONDON, Aug 12, (Reuters): Chelsea lost their appeal on Friday against a £75,000 (\$130,000) fine — the heaviest penalty ever levied on a club by the English Football Association (F.A.).

## Kenyan runner

NAIROBI, Aug 12, (Reuters): Paul Kipkoech, Kenya's 10,000 metres world champion, failed to qualify for next month's Seoul Olympics today after dropping out of the race at the national trial.

## World record

AUSTIN, Texas, Aug 12, (AP): David Berkoff set a world record of 54.95 seconds today in the men's 100-metre backstroke at the US Olympic swimming trials. Berkoff broke the record of 55.00 by Igor Poliansky at the Soviet Union's Olympic trials on July 16.

## Patrik Sjöberg

STOCKHOLM, Aug 12, (Reuters): World high jump champion and record holder Patrik Sjöberg has pulled out of the Swedish National Athletics Championships tomorrow because of a nagging foot injury, his trainer said today.

## Coe's omission

NEW CASTLE, England, Aug 12, (AP): Edwin Moses, one of track's all-time greats, on Wednesday supported the omission of Sebastian Coe from Britain's Olympic Games squad saying the former middle-distance ace had "no divine right" to take part.

## Rugby tour

BUENOS AIRES, Aug 12, (Reuters): Argentina may tour Britain in 1990, facing British rugby union sides for the first time since the 1982 Falklands war, International Rugby Board chairman John Kendall-Carpenter said yesterday.

## Rosario triumphs

NEW YORK, Aug 12, (AP): Lightweight Edwin Rosario of Puerto Rico, a former two-time world champion, stopped Rafael Gandarilla in the third round at Madison Square Garden's Felt Forum last night.

## Blood doping

COLORADO SPRINGS, Colo., Aug 12, (Reuters): The chief medical officer for the US Olympic Committee says he expects the International Olympic Committee (IOC) to be testing for blood doping by the 1992 Olympics.

## America's Cup

SAN DIEGO, Aug 12, (Reuters): The New Zealand America's Cup challenge have acquired a catamaran for use in training against their 40-metre monohulled yacht in preparation for the best-of-three race series set to begin on September 7.

## Early lead

FALSTERBO, Sweden, Aug 12, (Reuters): Four birds in five holes swept Briton Colin Montgomerie into the early second round lead in the PLM Open Golf Championship on the Flommas Links today.

## BRIDGE

THE Hilton Bridge Club games will be held at the Regency Palace hotel every week from tomorrow. The games will start at the usual time.

## KINGDOM RUNS SECOND FASTEST 110M HURDLES EVER

## Lewis upstages Johnson's winning return

SESTRIERE, Italy, Aug 12, (Reuters): Olympic champion Carl Lewis ran the third fastest 200 metres ever at Sestriere's new high-altitude track yesterday, upstaging Ben Johnson's winning return to international competition after injury in the 100.

Lewis powered round the bend to win in 19.82 seconds, ahead of in-form Frenchman Gilles Quenquenne in 20.20. The runners had the benefit of a tailwind gusting at 1.88 metre per second.

The American, who numbered the 200 metres among his four gold medals at the 1984 Los Angeles games, ran the second fastest time of 19.75 in 1983. Italy's Pietro Mennea set the world record of 19.72 at altitude in 1979.

## Injury

World record holder Johnson's 9.98-second win in the 100 metres was slower than he had hoped.

But the powerful Canadian, who returned to domestic competition at the Canadian championships last weekend after three months off with a hamstring injury, finished well clear of American Joe Deloach in 10.11. Johnson said on Wednesday he felt capable of breaking the record of 9.83 seconds he set at the Rome World Championships last year. But 2,000 metres up in the Italian Alps on the French border, the elements were against him.

The race, earlier than Lewis'



Lewis (centre) crosses the finish line to win the 200 metres. (Reuters wirephoto)

was run into a chilly, blustery headwind of 1.69 metres and although he was obviously moving well, he could not match the 9.90 he ran during the Canadian Olympic trials.

The new track had attracted a high-class field. Dennis Mitchell of the United States was third, also in 10.11, with Canada's Desai Williams fourth in 10.16.

European champion Linford Christie of Britain managed only fifth place in 10.17.

Earlier Evelyn Ashford, former holder of the women's 100

metres world record, showed she too was on form with a time of 10.94, ahead of fellow-American Gwen Torrence in 11.02.

Ashford is due to run in Seoul, but now in the shadow of compatriot Florence Griffith-Joyner who smashed her record during the US Olympic trials in Indianapolis last month.

In the 400 metres hurdles East Germany's Sabine Busch proved she will still be the force to reckon with in Seoul. The world champion finished in 54.89 and perceptibly slowed as she approach-



Johnson wins the 100 metres ahead of Dennis Mitchell (left). (Reuters wirephoto)

ed the line.

The high altitude and a following wind just below the limit of two metres a second assisted American Olympic champion Roger Kingdom to the second fastest time ever for the 110 metres hurdles.

Kingdom clocked 12.97 seconds, only the second time

any man has run under 13 seconds. His compatriot Renaldo Nehemiah set the world record of 12.93 in Zurich at sea-level seven years ago.

Second-placed Briton Colin Jackson, the world bronze medalist, clocked 13.11 seconds to break the European record by 0.09 of a second. Common-

wealth champion Mark McKoy of Canada was third in 13.21.

A delighted Kingdom, 25, ran a lap of honour and told reporters he was very pleased with his result coming so soon before the Olympics.

Asked what he would be doing in the few weeks before his departure for South Korea he replied: "Run a few races and get a lot of rest."

Kingdom said he had modified his technique although he still had further work to do.

"I had trouble with the second last hurdle, I was too close," he said. "But I'm sure I can break the world record."

Johnson was also confident he would do better later in the season after further intensive training.

"I need more races but it was a good time after crossing the ocean to get here," he said.

The Canadian said he was having no trouble with his hamstring injury which had healed well.

He did not say whether he would meet Lewis in the 100 metres before Seoul.

Lewis said he was very pleased with his time and with his current form.

"I'm enjoying the fact that I'm running well in both 100 and 200," he said.

"I don't want to put an emphasis on one or the other. I'm happy because last year in Rome I wasn't at my best and I felt I would improve for this season."

## Worcestershire overcome Hampshire

## Middlesex sail into NatWest final

LONDON, Aug 12, (Reuters): A brilliant undefeated 107 by England prospect Alec Stewart was not enough to prevent Surrey tumbling to a 70-run defeat by London rivals Middlesex in their NatWest trophy one-day semifinal at the Oval on Wednesday.

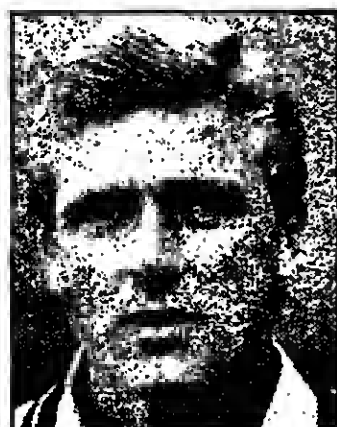
Stewart, son of England manager Micky, hit one six and seven fours in his 159-ball innings, scored out of a total of 188 all out in 56.4 of Surrey's allotted 60 overs.

## Formidable

Middlesex will face Worcestershire, who beat Benson and Hedges Cup champions Hampshire by 29 runs, in the Lord's final on September 3.

Middlesex's formidable total of 258 for seven was the result of solid batting throughout the innings.

Former England opener Wilf



Stewart hit 107

Slack hit 56, another former England batsman Roland Butcher slammed 65 in 80 balls and deposed England wicketkeeper Paul Downton chipped in with 40.



Gatting scored 74

Mike Gatting, dismissed from the England captaincy after the first test against West Indies, had a less happy day.

Gatting was run out for only 18 under controversial circum-

stances when both he and Slack were running to the same end.

Slack headed for the pavilion but when Surrey and England wicketkeeper Jack Richards asked the umpires for a decision it was Gatting who was given out.

Worcestershire owed their victory to Tim Curtis and Steve O'Shaughnessy who scored a county record 148 for the first wicket in a limited overs match in a total of 268 all out off 59.5 overs.

## Deliveries

England opener Curtis cracked 74 and O'Shaughnessy 62 but Worcestershire then lost their last seven wickets in 25 deliveries for just 24 runs.

The task, though, always looked beyond Hampshire who managed 239 all out of 58.3 overs. Opener Paul Terry was the top scorer with 80.

## Somerset deny Vengsarkar offer

TAUNTON, England, Aug 12, (Reuters): Somerset denied yesterday that Indian Test cricketer Dilip Vengsarkar had been offered contract with the English county for next season.

Club secretary Tony Brown said that at this stage the club were seeking only a replacement for Australian Steve Waugh, who is almost certain to be picked for his country's tour of England next summer.

Brown pointed out that, in any case, Waugh was deputising for New Zealand Martin Crowe, who would play for Somerset next season if he responds to treatment on his injured back.

## Sri Lanka cricketers let Yorkshire off the hook

LEEDS, England, Aug 12, (Reuters): Yorkshire gained a draw today against the Sri Lanka cricketers at Headingley, where the weather and then Richard Blakey frustrated the tourists.

A soaked outfield prevented any play until 1415 local and from a critical position at 41 for six, Blakey, with an unbeaten 85, organised skillful resistance.

## Stretch

He shared stands of 37 with captain Phil Carrick and 56 with Paul Booth to stretch Yorkshire's lead beyond Sri Lanka's reach.

Blakey made his runs in 174 minutes from 135 balls with 13 boundaries and his only moment of alarm came when, on 36, he was missed at short leg off the bowling of Ravi Ratnayake.

Yorkshire were finally all out for 152 with Graeme Labrooy taking six for 61 with some hostile bowling.

Sri Lanka were left with the impossible task of trying to make 163 for victory from only 19 overs when they were given one rain brought a halt to the proceedings.

Yesterday Labrooy took three for 10 in only 22 balls and had four for 24 when he had light gave Yorkshire a respite from his test-ing bowling.

Earlier, left-handed opener

Amal Silva made 112 with 14 boundaries and Sri Lanka declared at 287 for five, 10 behind.

## Scoreboard

YORKSHIRE first innings 297 for five declared (M. Moxon 132, K. Sharp 128 S. Athanasius four for 51) SRI LANKA first innings 287 for five declared (A. Silva 112, R. Madugalle 85).

YORKSHIRE second innings (overweight 41 for six)

M. Moxon b Labrooy 1

D. Byas b Ratnayake 1

K. Sharp b Madugalle b Labrooy 3

P. Robinson b Labrooy 1

N. Nicholson b Athanasius 4

R. Blakey not out 85

C. Pickles b Labrooy 0

P. Carrick b Tillekeratne b Ratnayake 20

P. Booth b Ratnayake 14

S. Dennis b Labrooy 0

P. Anderson b Labrooy 0

Extras (b-2 lb-5 w-3 nb-7) 20

Total 152

Fall of wickets: 1-32-15 3-16 4-11

5-38 6-41 7-78 8-134 9-152

Fall of wickets: Ratnayake 21-5

47-3, Labrooy 16-5-1-61-6, Athanasius 11-4-23-1, Madugalle 2-0-11-8.

SRI LANKA second innings

B. Kariyapala b Blakey 0

A. Silva not out 3

A. Samarasekera not out 4

Extras 0

Total (for one wicket) 7

Fall of wicket: 1-0

Bowling: Dennis 2-1-2-1, Pickles 12-4-5-0.

Result: Match drawn.

## Laudrup to make way for Zavarov

ALESSANDRIA, Italy, Aug 12, (Reuters): Italian First Division club Juventus have told Danish international Michael Laudrup to pack his bags and make way for another foreign player — possibly Dynamo Kiev's Alexander Zavarov.

The World Cup striker said Juventus officials had told him he was "the one to be sacrificed," in a shake-up of their foreign players next season.

Laudrup's replacement will join Welsh international Ian Rush, who has been retained by the club, and the recently-signed Portuguese midfielder Rui

Barros as Juventus's permitted trio of foreign players.

Laudrup pulled out of Juventus's pre-season friendly against Third Division Alessandria on Wednesday after hearing he would not be needed by the club during the coming season.

## Sorry

The Danish striker, who joined the Turin team in 1985, told journalists by telephone later he thought he would be staying for the new season up until two days ago.

"General manager Pietro Giuliano called me on Tuesday evening and told me he was sorry

to inform me that Juventus had decided to change its foreign lineup and I was the one to be sacrificed.

"I must say I didn't expect this. My only regret is that Juventus could have acted more clearly in this affair. I had been told I was staying," Laudrup said.

Juventus declined to name the new foreigner they hoped to sign but the club has been conducting lengthy negotiations with Soviet soccer authorities over Dynamo Kiev playmaker Zavarov, a member of the team that reached the European Championship final.

## Rangers and Celtic aim to dominate new season

LONDON, Aug 12, (Reuters): Glasgow's two big spenders, Celtic and Rangers, will resume their battle for supremacy when one of Scotland's most competitive seasons for more than 10 years gets under way tomorrow.

The arch-rivals have kept the Scottish League title firmly in Glasgow hands for the last three seasons.

## Boom

With the country's top crowds and main spending power, they are the key contenders as Scottish soccer continues boom period with attendances on the increase and more foreign players attracted to a new-look 10-team Premier League.

Scottish crowds rose by 15 per cent last season to 4.6 million for League and League Cup matches. A further 611,000 watched Scottish Cup ties and 241,000 attended European ties.

As more and more English players take the winding road north to satisfy their craving for European competition since it was created when the League was restructured 13 years ago.

Officials hope the extra bite will help the Scottish national side bounce back from their failure to qualify for the



Souness: has been boosting his squad

European Championship finals in forthcoming World Cup qualifiers.

Scotland are in Group Five with France, Yugoslavia, Nor-

way and Cyprus.

Rangers, run by the dour former Liverpool midfielder Graeme Souness, feel they have most to prove after losing their

1987 championship title to Cup and League double winners Celtic.

Player-manager Souness, who has already spent some £8 million (\$13.6 million) rebuilding Rangers in the last two years, has been pre-season shopping to boost his squad.

He spent £1 million (\$1.7 million) on England defender Gary Stevens to partner his national team-mate Terry Butcher, just back in action after breaking his leg, and bought Kevin Drinkell from English club Norwich to bolster the attack.

"Drinkell is a proven scorer," said Souness. "I am looking for better things from the defence while I hope Terry Butcher will be back to his best."

Celtic, perhaps surprisingly, have brought in no outfield players after winning the double in manager Billy McNeill's first season back at Parkhead. But McNeill says he is ready to buy when the right players become available.

After an injury to Irish goalkeeper Pat Bonner, McNeill was forced to sign Ian Andrews from English club Leicester last month and bring in former Scotland

keeper Alan Rough as cover.

Souness and McNeill see each other as the principal challengers but some of Scotland's other top clubs have not wasted the summer months.

Aberdeen, who have failed to reproduce the form which gave them two League titles and European success in the early 1980s, are rebuilding under new managers Alex Smith and Jocky Scott.

After selling Scottish international keeper Jim Leighton, Smith has turned to the Dutch League to buy Twente's keeper Theo Snelders and British-born midfielder Paul Mason from Groningen.

## Fitter

"Anyone who writes off Aberdeen does so at their peril," warned Smith, who says the new fitter and more streamlined former Arsenal striker Charlie Nicholas can rediscover his scoring touch. Celtic meet Edinburgh club Hearts in the opening round of matches with Rangers travelling to Hamilton. Aberdeen face a tough game at Dundee. Only one club will be relegated this term after the League was slimmed down to 10 clubs from 12.

## Fenech fights back to stop Downes in 5th round

MELBOURNE, Aug 12, (Reuters): Jeff Fenech recovered from a badly cut eye in the first round to stop Trinidad's Tyrone Downes in the fifth and retain his World Boxing Council (WBC) featherweight title today.

The Australian dumped Downes on the canvas twice in the fourth round which ended with the West Indian looking to his corner for moral support in the face of a punishing barricaade.

There was no escape in the fifth as an early right to the kidneys from Fenech put the number one contender down on one knee. Downes scrambled to his feet before a hail of punches ended a thrilling fight after 67 seconds of the round.

Fenech, unbeaten in 20 fights, was expected to dominate from the first bell with his superior weight and reach. But the early cut almost stopped the fight.

Downes took the fight to the champion and with a solid right he quickly opened the gaping wound over Fenech's left eye, in the same place as a cut opened by a butt from Mexican Carlos Zarate last October.

For the first time in his career Fenech looked uneasy, trying to keep the quick hands of his opponent at bay as Downes concentrated on helping the blood flow from over the champion's left eye with rapid-fire, flicking punches.



Fenech (standing): hammered the W. Indian.

But the confidence of Fenech, known as the "Marrickville Mauler," grew after he survived two inspections by the fight doctor.

Fenech began to put his combinations together, making Downes suddenly look frail with characteristic round arm shots to the body and straight jabs to the head.

The fourth round brought the 15,000 crowd to their feet as Fenech, hawking his wares for his first time in front of a huge

American television audience, opened up.

The West Indian became more and more hesitant and, as all Fenech's previous opponents had found out, that is suicide against the bull-like Australian.

Downes scrambled to his feet at the count of nine early in the fifth but one minute later Fenech trapped him in a neutral corner.

A right hook and then a murderous left sent Downes to the canvas for the fourth and last time and although he gained his feet, the referee called it a night.

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